

LOMBARD

The banks must speak out

BY MICHAEL BLANDEN

THE PROSPECT that nationalisation of the banks will become official Labour Party policy has at last prompted the clearing banks to start coming out into the open with their counter-arguments. Up till now they had kept their heads very low on this issue, preferring to save their big guns for a time when nationalisation looked like being adopted as part of a Labour election manifesto.

These tactics run the risk of allowing the debate to go by default. The banks have given the impression passively, even resignation, to the probability that at some time in the future they will be state-owned. Bankers have even been heard to remark only half in joke, that Civil Service pension would be quite acceptable. It is high time that the banks started to consist of regular campaign to press home their message. There is a real danger that constant repetition of the left wing theme expressed in the National Executive Committee's document will make state control appear inevitable, even acceptable.

Well aware

The banks have a number of inhibitions in responding to the arguments—or rather hypotheses—which have been presented by the proponents of nationalisation. Special pleading on their own behalf is not that appealing to the general public. And the banks are perfectly well aware that though they may be able to demonstrate that the bulk of their customers do not want the banks to be nationalised—a point which was acknowledged by the NEC in pointing out that all four big banks should be taken over because otherwise there might be a loss of deposits from the nationalised institution—it is also true that they are by no means universally popular.

What is more, they are not in a position to maintain that everything is perfect in the U.K. economy or specifically in the arrangements by which the country's savings are channelled to industry. The arrangements for extra institutional finance for the Finance for Industry group and for the equity bank, though undertaken with a certain amount of reluctance, were an open recognition at least of the need for the City to demonstrate that something was being done to meet criticism of its operations.

The bankers themselves are this week engaged in debate on precisely this topic, with the Institute of Bankers Cambridge

seminar examining the general subject of the relationship between the banks and industry. They are noticeably self-conscious on this topic, and have been at pains to emphasise over the past year or so the extent to which they have been developing their relationship with their industrial customers through the increasing amounts of medium-term lending being provided to support industrial investment—points which have been brought out in Cambridge with the participation for the first time of industrialists themselves.

Misleading

The banks also have a rather ambivalent position in pointing out one of the main weaknesses in the arguments presented by the left, the need for greater official control over their activities. The parallel drawn with the Continental pattern of banking is misleading.

More to the point, the U.K. clearing banks may find it difficult to point out that the British Government has in fact ample means at its disposal to influence the direction of bank lending, though not necessarily to force the industrial customers to take what is on offer. The fact that the Bank of England has never in practice used its ability to issue formal instructions to the banks could be interpreted as a tribute to the efficacy of "question" and the lifting of the Governor's eyebrows rather than as showing lack of official direction.

The highest problem faced by the banks, though, is to put forward a reasoned counter-argument to a document based on a doctrinaire disregard of the real world. If you start out by assuming that the weakness of the U.K. economy is due to low investment, that low investment is due to lack of finance and that lack of finance could be cured by state ownership of financial institutions, you leave little room for debate.

Probably the best shot at a reasoned discussion of the issues from the city angle was made last month by Professor Harold Rose in the Barclays Review, where he examined and knocked down most of the case put forward for attributing Britain's problems to the structure of its capital markets. What the banks could start out by saying is that they have fulfilled their main function—looking after their customers' money—with rather more success than governments have demonstrated in managing the economy.

TENNIS

Evert power display ends Barker's hopes

NEW YORK, Sept. 8

IT WAS a day of contrasts at Forest Hills on Tuesday as a date the astonishing Miss Evert record total of 30,702 spectators at the afternoon and evening sessions saw the men's and women's singles come down to the quarter-finals. Three of the seeded men came back from several deficits to win over the longer five-set course which replaced the three-set formula from the fourth round onwards, while only one of the successful women, Mima Jausovec of Yugoslavia, the conqueror of Virginia Wade, was taken to a deciding set.

The night matches provided the greatest drama. Before a capacity gallery of 14,415, Evert, the undisputed favourite to retain her title here, gave a display of awesome power and accuracy from the back of the court to dismiss the challenge of Britain's best representative, Sue Barker of Devon. In a bare 40 minutes of almost errorless play the little midget from Port Lauderdale won 6-1, 6-0 allowing the British girl mere 24 points—one less than Glynnis Cole of Middlesex had prised from her grasp in the previous round.

Always travelling smoothly and well within himself, the Never Bend colt could hardly have won the Laurent Perrier. J. O. TOBIN gave every indication at Doncaster yesterday that he is out on his own as the best two-year-old seen out so far this season.

Doncaster
2.00—Brave Lass
2.20—Sea Anchor
3.00—Iona**
3.30—Paris
4.00—Fair Season***
4.30—Court Lane
5.00—Laughing Goddess
SALISBURY
2.15—Jacado
2.45—Silver Shoals
3.15—Chukaroke
3.45—Baby Blair
4.15—Mistral
4.45—Rushmore*

Champagne Stakes in more impressive fashion. Going easily towards the rear of the field in the early stages, J. O. Tobin quickened immediately when asked for an effort by Lester Pigott two furlongs from home.

He cruised past those speedy fillies Durtal and Ampulla and forged clear in the hands of a motionless jockey to win with consummate ease in a fast time. A half-brother to the dual classic winner Mysterious, J. O. Tobin is now generally expected to win the 2,000 Guineas.

Noel Murless and Pigott will be hoping that Mayo Girl can maintain their fine run with a victory in today's Park Hill Stakes. Although this Connaught filly could run prominently, I doubt if she will cope with either Rose for the Star or Iona, a progressive bay daughter of Kalydon, was particularly impressive when beating Rowe Residence at York last month and she is the selection.

Joe Mercer, who holds bright prospects of landing the Doncaster Cup with Sea Anchor, seems sure to have another good ride when he partners Fair Season in the Prince of Wales Nursery.

Ian Balding's Silly Season colt put up a useful performance last time out when giving Modfida 4 lb and a half-length beating in the Grand Criterium d'Ostende and a reproduction of that form should see him home. William Hastings-Bass, Ian

Balding's brother-in-law, will be taking over Marriot Stables at the end of this season when a season studying the Henry Cecil moves to Warren Place.

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BY JOHN BARRETT

BURGHLEY HORSE TRIALS

New riding talent has opportunity to show its mettle

BY MICHAEL DONNE

THIS YEAR'S Burghley horse trials, which start at Stamford, Lincoln, to-day, will be more than customarily open because for the first time for several years there are neither the venue nor the hard going has obliged many riders to withdraw after completing the dressage and before the cross-country phase. This particularly applied to Windsor at Osberton.

So far as Burghley is concerned, the original entries have been reduced to 83 by the time the draw had been held. To go to a Burghley, however, over the fine old turf of Exeter's parkland, is reported to be good, but to be on the side the trials organiser, Andrew Burnaby-Atkins, has arranged for generous quantities of grass to be placed on the landing side of the jump on the cross-country and steeplechase courses.

There are some changes to the cross-country course, with several new jumps. The Ballus and the Maze, which provided many spills and refusals last year, have been replaced; but the cross-country course will still prove to be the maker or breaker of a large number of reputations.

Among the rest there will be several combinations which have been showing consistent development in recent years and which now have the chance of winning a major event.

Into this category came Jane Starkey with Topper Too, a combination which came eighth at Badminton earlier this year; Carolann Geekie on Copper Tiger, who came second in the Belgian three-day event this year; Virginia Thompson on Cornish Duke and Janet Hodgson with Gretina Green, a combination which has won one of the advanced classes at Osberton for two years running, while the horse was second at Burghley last year when ridden by Mark Phillips.

Perhaps one of the newest and potentially most interesting combinations is that of Charlotte Steel and Gamble, who have only been placed in senior events in the past two seasons, finishing seventh at Badminton this year. On the strength of that performance, the horse was considered a possible Olympic mount for Rio de Janeiro, although he eventually went to Montreal with Jacob Jones.

The drought has had its effect on horse trials this summer. The going has been extremely hard and entries have dropped by an estimated 25 per cent. over the range of intermediate and novice trials held to determine the runners for next month's Midland Bank Horse Trials Championships at Goodwood.

Bus and coach servicing deal

THE FREIGHT Transport Association and the Confederation of British Road Passenger Transport have joined forces in a bid to improve maintenance standards within the coach and bus industry. The scheme was announced at the confederation's second annual conference yesterday by S. J. B. Skyrme, the president, and means that the associated engineering services will be available to confederate members.

The Freight Transport Association has a team of more than 100 qualified engineers carrying out 80,000 vehicle inspections a year and has sufficient facilities for inspections to take place at times and places to suit the needs of the industry. The aim of the new scheme, with the association's expert engineering services, is to improve what is claimed to be an already impressive safety record, and save operating costs by giving early warning of potential failures.

The conference heard strong criticism of plans to bring regulations on commercial drivers' hours into force in Britain. Adoption in their present form would be damaging a costly for the public sector vehicle industry, Mr. Skyrme said.

BY DOMINIC WIGAN

RACING

J. O. Tobin easily best so far

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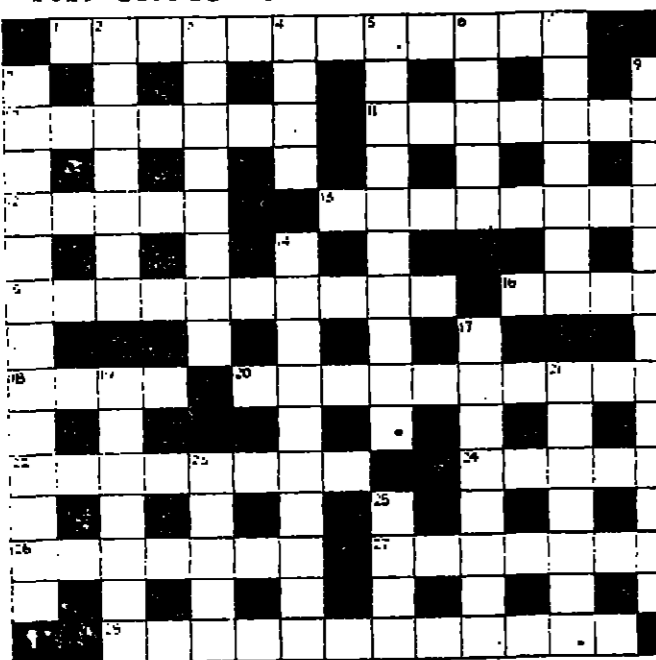
TV/Radio

†Indicates programme in black and white.

BBC 1

7.05-7.35 a.m. Open University (UHF only). 12.35 p.m. On The Move. 1.45 News. 1.50 Pebble Mill. 1.45 Baupuss. 4.18 Regional News (except London). 4.30 Play School. 4.45 Dastardly. 5.00 Muttley. 5.35 Here Come the Double Deckers (part 6). 5.15 Keeper Of Wildlife. 5.35 Magic Roundabout. 5.40 Evening News. 5.55 Nationwide. 6.15 Bellamy's Europe. 7.10 Top Of The Pops. 7.40 Happy Ever After. 8.10 Kojak.

F.T. CROSSWORD PUZZLE No. 3178



- ACROSS
- Reprimand for preparing a bird with feathers (S, 4)
 - Reveal a secret—about a puncture? (4, 3)
 - Decided need to carry gun (7)
 - Let in and let out (5)
 - Old airline board is vulnerable (8)
 - Make poor little devil get over his upset (10)
 - Bachelor goes to dine and put up birds (4)
 - And birds put up for sport (4)
 - Charitable people to telephone (10)
 - Elaborately decorated but only lean apart (8)
 - Broom found in wardrobe sometimes (5)
 - Not the first love and lower in song (7)
 - Gleam, giving information about list (7)
 - Warning that could be maroon or red light (8, 6)
- DOWN
- The way to plan a guide for motorists (4-3)
 - Being wanted I have to follow games (8)
 - A bit mentioned in radio talk (4)
 - Sandy's sleep—on a biscuit? (10)
 - Should be anything or could be nothing (5)
 - Distinquished person could be incompetent (7)
 - Preparing to move home? No, part of the bank! (8, 5)
 - Notice about inverted teams (13)
 - Escape being relaxed after interval (5, 5)
 - Eating a little at a time and finding fault (8)
 - Threatened people with one and died (7)
 - Peculiarly alas it comes up to a dog's home (7)
 - Part of a joint eaten only partly (5)
 - Matures a long time (4)

SOLUTION TO PUZZLE No. 3177

ACROSS
1. REPRIMAND
2. REVEAL
3. DECIDED
4. LET IN
5. OLD AIRLINE
6. MAKE
7. BACHELOR
8. AND
9. CHARITABLE
10. ELABORATELY
11. BROOM
12. NOT THE FIRST
13. WARNING
14. SANDY'S
15. SHOULD
16. DISTINGUISHED
17. PREPARING
18. NO, PART
19. NOTICE
20. ESCAPE
21. EATING
22. THREATENED
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14. PART
15. MATURES

Northern Ireland News. 5.55 Scene Around Six. 11.50 News and Weather for Northern Ireland. 12.45 The Risk Business: British Shipbuilders.

11.25 The Sky At Night. 11.50 Weather/Regional News. All regional programmes as BBC-1 except at the following times: Wales—5.15-5.40 p.m. Billdowncar. 5.45-5.55 Wales To-day. 5.55 Heddidi. 10.45 Swn Y Ser. 11.15 Industrial Grand Tour. 11.30 News and Weather for Wales. Scotland—5.55-6.45 p.m. Reporting Scotland. 11.50 News and Weather for Scotland. Northern Ireland—4.18-4.20 p.m.

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SALEROOM

Rhodesian postal items realise £28,299

STANLEY GIBBONS' one-day auction of Rhodesian postal items from 1859 to 1925 made a total of £28,299.

A cover sent in 1859 marked "to be forwarded by first opportunity" to "Dr. Livingston, Zambesi Expedition, Central Africa" fetched £800.

Another of 1896, which was in a batch of letters in a mail coach attacked by rebels at Shangani and recovered from the mud six weeks later, made £530.

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Kate Buffery and Bill Buffery in the National Youth Theatre's 'Coriolanus' which opened last night at the Shaw Theatre

At the centre of Twyla Tharp's second programme is a work called *From Hither And Yon*, which is nothing less—but how much that less is—than a survey of 11 years of Miss Tharp's creativity. It is an assemblage of fragments, some of them brief, 10-second snatches, others longer, integral sections, from 14 dance works, whose first title was *Hodge Podge*. This last would have been an unjust description, for one of Twyla Tharp's distinguishing features as a choreographer is the intellectual discipline that guides her work. Her talent, and there is a clear and stimulating pattern to this bodge-podge—the collage of pieces—is by no means fortuitous.

By now Miss Tharp is able to show us two works at the same time and to blend one piece into another, so that the two works merge into the slow, time-stretching poses from *Generation* while Miss Tharp and Jennifer Way explore the 12 second movement cells of *The One*. Another fascinating work is set at The Round House. A short burst of *Ocean's Motion* (just time enough to recognise the sound of Chuck Berry's voice, realise it is indeed Ocean's Motion, and rise over) places to Rose Marie Wright and Kenneth Rinker dancing *The Bach Duet*. This is given in its entirety; a lioussie pas de deux in which the sublime second movement of the 12-step waltz is somehow made to harmonise with movements as cool and disengaged as one can imagine. Miss Tharp bounds marvellously

It is a dangerous game to ascribe qualities of intellect to dance; it is more true to say that Miss Tary's dances are intelligent and that she shows in any way detracting from the more immediate beauty of the dance itself as movement, as Paul Tary's "Food for the Eye." That the dances are intelligent and food for the mind is our good fortune. Audiences are too rarely aware of the reasons behind a dance, of its mental as well as its physical justification.

But lest we suggest that Paul, Hither and Yon, a kind of choreographic crossroad, let me also declare that there is a persuasive momentum to its development, a tribute to the power of a dance in which the audience is supposed to be involved. Some acquaintance of the history of Miss Tary's dances — from the early, slightly bristly exercises in use of space and dynamics to the more recent dances — physically brilliant works like *Give and Take* which date from this year.

It looks as if it could be written for Baryshnikov, that is part of her work in progress on *Country Dances*. Rose Marie Wright deals with "The Wedding of the Dancers" in a way that is not so far from the truth. The Crow on point and absolutely unobscured, and the piece ends with darkness and stillness and the figures of the dancers gleaming faintly from the darkness.

I found from Hither and Yon something that was always stimulating and magnificently danced. At first sight it looks as if a great mass of Press cuttings covering Miss Tary's career had fallen to the floor higgledy-piggledy, and we look at these cuttings and sometimes read whole paragraphs, sometimes just sentences, or maybe only a headline and a title. But there, none the less, is the history of a decade of dance, and it is thanks to her that the major dance creators of our time; so cleverly organised that at the end we can enjoy both its subtle inner-harmonies and tensions of structure.

The piece begins with the Stars and Stripes march from this latter piece, very joyfully about watching a parade go by, and also being part of the parade—and then leaps back ten years to the first Tharp work. There are lightning glimpses of *Removes* and *Tank Dine*, including the moment when eggs are smashed on the faces of the soldiers, made the *London* public wince when we saw it a decade ago, and suddenly we are on familiar ground with Miss Tharp's own "I hate to tap

Christine Uchida performs a ravishing solo from *Give and Take* ravishly—it looks for all the world like a classical dancer relaxing to jazz—and we are next brought up short by Shelley Washington smashing a red chair to bits in a moment from *Disperse*, with the chair well and truly dispersed over the stage.

Dig this

by KEVIN HENRIQUES

intense, when "The Hunter" Gibson who asks

It has come as something of a revelation to the less well informed, has in fact been conferred on an important artist for the last 40 years, and represents a climb steadily since death. I doubt that Sickert written off after his death. Paul Nash, or Matthew Smith, must take care to keep it in our minds the distinction between the critical judgment of artists (who are very odd in these matters) and scholars, and the vagaries of the market and general public.

Stanley Spencer, too, has been rather denigrated nor forgotten: though his public treatment has long been shabbily

The secular compositions provide many clues: the drily modelled and smooth flesh across which the past and patterned cloth is stretched so closely, the splendid roundness of the bodies and limbs, the statueque figures gesturing and posturing so definitively. They all conspire to suggest to the receptive imagination a feverish, if barely rationalized, world existing only just beneath the surface of events. The work invites such interpretation quite as much as any formal and detached appreciation. Spencer lived for his art; and there it all is in the work: Art as autobiography.

I saw the exhibition while it was in Brighton, where it was arbitrarily closed on Mondays by civic edict. The citizens of Glasgow, I hope, are not being imposed upon in this way. The show remains there until October 19; before moving on first to Leeds, and then to Cambridge.

though some mense, ultra-socially conscious, and ultra-hip, and ultra-hip to gloss over the beginnings and early history of jazz it remains undeniable that the music began in a rough, tough and bawdy environment—races, with our old friends booze, sex and drugs. Still, it is not a matter of more content—contemporary jazz becomes more and more serious (in the sense of being without humour or wit) and pursues and gratefully assumes the cleaner, more respectable mantle of concert hall music, in a commitment not to say entertaining, to listen to songs which commemorate these impure origins.

As well as exuding praise-worthy levity such songs are also a chance to sing things they contain the slang and language code which jazz musicians and singers conceived, and which they use among themselves and which was understood by only a few outside their circle. Neologisms, to make simple examples, like "pad" and "snow" and "gauge."

Jug Band. Stuff Smith (violin) and John Jones (trumpet) take that short but pertinent solon on "If you're a Viper on a Pick-a-Back" all right, you're a Viper on a Pick-a-Back, and on two rousing Cab Calloway tracks, the guitar of Roy Smeck and the piano of Benny Payne (recently at the Palladium with the Benny Goodman Trio) really merit close listening.

The final track, "Don't You

So a Tulsa.com welcome to
live albums on the American
Swing which celebrates (in
every sense) the music of
the mid-20th century in
its most idiosyncratic settings
of booze, sex and drugs. Most
of the tracks (77 on the five
CDs and mainly vocals) are from
the 1930s and feature some of
the best-known singers and
musicians of the period. There
is also a lot of great music
though the words are vitally
important aspect there is plenty
of excellent section work and

Make Me High." has a curious
topicality for it was recently
recorded in the 1960s and
it gets an earthy treatment
from Blue Lu Barker, whom I
heard singing with much vigour
in New Orleans two years ago
when, as on this 1933 recording,
she was accompanied by husband,
Danny Barker on guitar. Here
there is a more raucous sound
and also there is a real and
tunefully. Benny Carter playing muted
trumpet.

oloos, especially on *Reefer Songs* (STP-100) where the Cab Calloway, Chuck Webb, and Duke Ellington and Harold Land lead bands and soloists heard swinging sweetly along.

As its title suggests the album's songs are about marijuana and other exotic substances. Apart from the tight sound of the bands mentioned Jack Teagarden's blues singing and the trombone is outstanding on "Sweet Home Chicago." There is a night, easy-paced Sidney Bechet on clarinet for a change, in front of Jack McSpencer's brushes on "O'K! I'm Mellow," then on piano-sax in "Viper Mad." There is the successful coupling of clarinetist Barney Bigard with pianist Art Tatum in "Somebody's in the Mood for Jazz."

The second volume of Teasdale's *Pad Songs* (ST-104) has some of the later recorded tracks including duets with a Rex Eldridge/Anita O'Day trumpet/vocal duet on "Up-town," and a Leonard Feather and All Star Group with Bobby Hackett, Benny Carter and alkoist Pete Brown. *Dizzy*

Gillespie weaves some doodles behind singer Rubberlegs Williams on "I Want Every Bit of It" on which Charlie Parker is heard (distantly). There is one striking oddity: harmonica virtuoso Larry Adler sings a strange falsetto and plays piano backing on "I Need Little Sugar in My Bowl" and the titular Chu Berry is among the accompanists on "Do You Ditty." Altogether a rancid, risqué disc which—be warned—contains lyrics of a sexual explicit nature!

And on a bluesy plea, "Smokin' with Me," the album's first track, the singer promises to "smoke some off-beat cigarettes" from that "expedient" (that is, Gortorgian, soulful) singer Babe Gonzo, "Be-Bop Santa Claus." Gonzo really sears his beautiful, throaty voice into the album's first disc, *Copulative Blues, Volume 1* (MCA). The sleeve warns (or states the promises) that two "Em" and "Shave 'Em" are "surrendering" to the followers of George Melly, who concludes both in his repertoire. Well, you know what to expect. Jelly Roll Morton introduces his "Em" by explaining it, and the essence of some of the songs he sang in these early days were "kinda funny-summy." Alas the 1935 recording by Lucille Bogan of "Shave 'Em Dry" is so scratchy as to be unusable. The album's only track that is predictably the two Bessie Smith tracks (both previously available) are the best. She has solo taken £3.70 to £3.95 each.

THESE SECURITIES HAVING BEEN SOLD THIS ANNO

ST-100) where the Cab Calloway (ST-103) has more Calloway

On Ellow's famous verdict the first unrevived score of Strauss's early *Burlöske* for piano and orchestra (1886), which was to ring true of so much of the later music, too, of "Maid and Minstrel," which kept out of the way of the *Meisters* for several years; and came to it again at Tuesday's with more lively, fresh (if only unprejudiced) ears: that I remember, but was the music really so sailing.

I was the spirit (not the instrument) marauder and nylon fur. How still more awful it sounds at a new meeting!—Strauss's catalogue of pseudo-Italian breakfast and tenderfoot pastiche pastore, leaved with one or two pieces of very pretty salon sugarcandy, and three or four ghostly, ghastly pre-echoes of *W. K. Eulenspiegel*. The soloist, Walter Klien, dealt with the numbers efficiently, and with some of them, but more than alchemy, real heavenly magic, is needed to turn candy-floss into gold.

the BBC Symphony Orchestra under Rafael Kubelick. The duo began the evening with a neat, nicely swung account of Bartok's variation suite of 1908, *For Children*, and ended it with a performance not in the least appalling, but musically brilliant like, say, Barlick's *Symphonie fantastique*.

DOMINIC GILL

...the fact that the *Journal of Management Studies* is a leading journal in the field of management studies, and that the *Journal of Management Studies* is a leading journal in the field of management studies.

MICHAEL COVENEY

Chekhov's first play, quickly written, badly received and coolly returned to by the author, is a strange, fire-ravaged, acid-fallen, and a tempting part for a virtuoso actor: challenge of Ivanov is to sing as many variations as possible on a theme of disgusted edom. - Only 35 years old, now has, quite simply, fallen of love with his consumptive, fish wife and run up against the ill wall of despair. Chekhov sees on the stage a vociferous dow of a man tortured by his pathologically induced con of stagnation. Bemused and yet acutely aware of his hopelessness, it is as if the monstrous surrounding cast of caricatures are emblazoned by the eyes with what Ivanov views them as the strange, haunting achievement of the play—quite apart from its mesmeric assurance of expression—is that Ivanov is also seen in relief against the awful picture of petty bourgeois life that is sending him under.

I can hardly credit that I once saw Gielgud play the part on television, for it seems so remote from the temperamental scope of even that great actor. David Jones's BBC production is superbly lit around a stunning central performance by John Wood. Mr. Wood meets

the nightclubs, condemnation of the "honest" young doctor Lvov with an incomprehending shrug about his own migraine, his inability to cope, his ambition to forget all about his life. But the extra dimension that Mr. Wood creates so memorably is that of the great selfless love of his behaviour in summing up his dying wish to submerge himself in the idle prattle at the household of his principal creditor is a matter of real concern to him. Lvov hates him for being a parasite, while Ivanov himself, in acute moments of alienation, smacks himself for being a Hamlet.

There are some suggestive touches here, as given by Ivanov's speech, but by company at the top of the form: Norman Rodway's bean-like, alcoholic Ledbeve delivers a stay of suicide by discharging into Ivanov's study with an offer of money so his wife can be paid back. Bob Hoskins as Borkin, the "big fellow," is a *seeing every conceivable situation as productive of a general commercial well-being* among the community, presents a buoyantly complicated figure of fun and enterprise among his more solid fellows, and Estelle Kohler as the dying Anna presents another difficult Allday part on the trot with Allday's sincerity and passion.

What I especially admire about the production as a whole, however, is the force

which in this thing we have started." The answer is in Ivanov's final, cynical throwaway. You simply end it all!

William Dudley's sets and costumes are sumptuous and beautifully detailed. Carl Davis' music is witty and pervasive in all the right places. Mike Farrow gives the best stage performance in the play, and Ted Gasser, as the Ledbeve, Richard Simpson uses his bored nasal tones to devastatingly comic effect.

Zoe Wazamaker as a slightly widow enraptured by the prospect of social advancement through marriage to a man who has no regard to a stupendously boring Count, establishes herself as a young actress in the very front rank. In all, this is a tantalizing, infuriating and super-charged theatrical entertainment.

NEW ISSUE

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WORLD TRADE NEWS
Mexican devaluation may boost exports

BY ALAN RIDING

MEXICO'S largest-ever trade fair opened its doors to buyers here today, with Mexican exporters anxious to capitalise on last week's devaluation of the peso but worried about the impact of a new export tax.

President Luis Echeverría flew here from Mexico City yesterday for the opening ceremony where he stressed that the combination of renewed U.S. economic activity and the devaluation of the peso opened up new trade opportunities for Mexico.

But many of the exhibitors felt depressed by news of taxes of between 7.5 per cent and 20 per cent on manufactured and semi-manufactured products respectively.

Some exhibitors felt so uncertain about the price situation in Mexico that they were to-day quoting prices in dollars at the same level as before the effective devaluation of 39 per cent in the peso on August 31.

But there was nevertheless the feeling that Mexican exports, particularly to its natural market in the United States, should rise considerably during the coming months, perhaps by as much as 20 per cent, before Christmas.

Last year, 60 per cent of Mexico's exports—\$1.6bn, out of \$2.7bn—went to the United States, the vast majority of which comprised of oil, coffee, sugar, shrimps and tomatoes. But sales of manufactured and semi-manufactured products reached \$140m.

Imports from the United States—\$1.1bn, out of total foreign purchases of \$6.6bn—were made up largely of automobile parts, chemicals, scrap metal and grain.

BOC in Saudi Arabia

BOC is planning to set up a joint venture company in Saudi Arabia to provide gas engineering and process contracting services in the Middle East.

Named SAGE, Saudi Arabian Gas Engineering, the joint venture company is being formed on an equal partnership basis between BOC and the National Development Corporation of Saudi Arabia (NADCO). SAGE will be a Saudi-registered and based company.

BOC, through its gases division unit fuel gas and engineering services, will supply the gas engineering technology and management with NADCO providing the local marketing and labour needs.

The new company will also form a base for other BOC units wishing to expand into the Middle East markets and Saudi Arabia in particular.

The consideration involved in the establishment of the joint venture is not material in relation to the net assets of BOC International, the company said.

Russell Altharthy, general manager of NADCO, flew to London recently to sign the first part of the joint venture agreement. Later the English directors of SAGE are to visit Riyadh, Saudi Arabia, to complete the signing of the agreement.

Bridge contract

Sumitomo Construction and the Marubeni Corporation of Japan have been awarded a major contract for the construction of the new Nyal bridge which connects Mombasa Island in Kenya with the mainland.

Japan to study effects of exports on U.S. industry

BY OUR OWN CORRESPONDENT

TOKYO, Sept. 8

The Japanese Foreign Ministry said today that it will shortly conduct a survey on the effects which Japanese exports, especially those of cars and television sets, are having on U.S. industries.

The survey will be made in connection with growing criticism in the U.S. that the "cheap Yen" has caused a sharp increase in the U.S. trade deficit with Japan, it said.

The Ministry will make an item-by-item survey of Japanese exports to the U.S., the market shares held by various Japanese products there and trends in production, capacity utilisation, and employment in the U.S. industries concerned.

The Ministry said it plans to hold consultations with the Finance and International Trade and Industry Ministries and other Government agencies concerned to work out Japan's trade policies on the basis of the findings of the proposed survey.

The Ministry of International Trade and Industry said Japan had a surplus of \$2bn in its trade with the U.S. in the January-July period this year, compared with a deficit of \$158m in the same period last year.

At the same time, the Finance Ministry denied a local Press report that the Ministry is proposing to restrict Japanese exports of radio and television sets and tape recorders to the U.S.

The financial daily Nihon Keizai reported the Ministry is suggesting these exports should be curbed through voluntary controls by Japanese exporters in view of growing U.S. criticism of Japan's balance of payments surplus.

A spokesman for the Ministry said "For the time being we do not believe any changes in our policies are necessary."

However, despite the denial, electricals were sold on the Tokyo Stock Exchange in reaction to another statement by a senior Finance Ministry official that Japan should take measures to avoid trade friction with the U.S.

It was also reported from Tokyo today that the U.K. and the EEC have asked Japan to restrict exports of high-grade steel to the U.K. for one year, starting July 1 this year, to 810,000 tonnes, the same as in calendar 1975, Japanese industry sources said.

EEC and Japanese officials ended two-day talks on increased Japanese exports of stainless steel bar and high-grade steel to the U.K. Industry sources said Japan was already contracted to sell about 900 tonnes for shipment in second-half 1976, bringing this year's total sales to about 1,600 tonnes.

Reuter

GM signs major Bulgarian deal

BY MARGARET HUGHES

PLOVDIV, Sept. 8

A NEW co-operation agreement has been signed between General Motors Overseas and the Bulgarian State Concern Balcancar. Under the agreement, which was finalised here at the international fair, GM's Bedford Trucks Division in Britain will supply heavy duty trucks to Bulgaria in exchange for fork lift trucks.

The attraction of the new agreement for GM, according to Mr. Desmond Savage, marketing director of Bedford Trucks, is that it gives Bedford access to Europe's largest truck fleet, at a time when it has just developed a new range of heavy duty trucks.

The Bulgarian Transportation Company operates between 3,500 and 4,000 trucks on TIR routes, at present using mainly Volvo, Berliet and Mercedes trucks.

In return GM will be taking fork lift trucks from Balcancar. Initially these trucks will be used by GM in its own plants throughout the world providing an assured outlet for Balcancar. But clearly the Bulgarian concern hopes that in time this will lead to new outlets for its fork lift trucks using GM's worldwide marketing network.

Balcancar is currently Europe's largest producer of fork lift trucks but sells these mainly within Comecon. Bearing in mind Bulgaria's shortage of foreign currency, Balcancar is 75 miles outside Algiers, and is obviously anxious to supply Western markets but attempts to do so have not been particularly successful.

There have been reports of problems in meeting Western standards of quality while Balcancar's own fork lift trucks business in itself present a further difficulty. Currently there are some 180 manufacturers in Europe, and British industry is known to be making some attempts at rationalisation, possibly with Government help.

No value has been put on the deal and neither side would give any indication of the number of vehicles involved. But both stressed that it is intended to be a long term agreement.

Among British exhibitors at the Plovdiv Fair the GM deal is seen as a much needed morale booster for Anglo-Bulgarian trade. Last year British exports to Bulgaria totalled £23.5m, up from £18m in the previous year, but in the first seven months of this year sales were down to £13.3m, from £15m in the same period last year.

However, the main problem in trade between the two countries is the imbalance which is very much in Britain's favour. Britain last year exported three times as much as it imported.

£16m. loan for Algeria

BY PAUL BETTS

AN INTERNATIONAL banking syndicate, including UBAF Finance Services, Westdeutsche Landesbank Girozentrale, Allied Bank International, First Boston (Europe), and Union Méditerranéenne de Banques, has granted the Algerian State electrical and electronic concerns, Sonelgaz, a DM50m. (about £16m.) six-year floating rate loan.

The loan, which was signed in London this week, will help finance a large electrical construction unit at Azaga, about 75 miles outside Algiers, and is understood to be the first of its kind to be awarded to Sonelgaz.

Work on the project is expected to begin shortly.

Sonelgaz awarded the contract for the Azaga plant to a West German consortium led by Deutsche Industrieanlagen-Gesellschaft (DIAG) of Berlin. DIAG is currently involved in a number of other industrial undertakings in Algeria, including a tractor and engine factory at Constantine, 250 miles south-east of Algiers.

The Azaga plant is expected to be completed in 1983. It will manufacture transformers, generators, electric motors and parts.

EMI wins £8m. order for scanner systems

EMI has secured new orders for EMI-Scanner systems for Japan totalling £8m. in value raising the total order received from 37 to 70, all of which will be delivered to Japanese hospitals by mid-1977.

The new orders comprise EMI-Scanner brain diagnosis systems and 22 EMI-Scanner whole examination systems. Negotiations for these new orders were successfully concluded by EMI Medical and Toshiba Electric (Tokyo) which handles the marketing and distribution of EMI-Scanner systems in Japan.

The new orders, valued at £8m, also include the supply of modification kits to update brain scanners already in use in Japan.

Project delayed

Mitsubishi said yesterday it had decided to postpone its plan to build a petrochemical complex in Saudi Arabia for three years because of a sharp rise in construction costs and a decline in demand for petrochemical products.

Loan for France

A loan equivalent to F1,500 (30m.) units of account has been granted by the European Investment Bank for the improvement of the telecommunications network in Aquitaine, France. It will help finance various works in the region, costing some F.600m, which enable the installation of 60,000 new main lines.

Lazard's agreement

Lazard Bros. yesterday signed a financial agreement for £10m. with Societe Nationale Sigerulge (SONASIG), Moroccan Steel Corporation. The agreement is in support of consultancy contract with W. S. Atkins group of E. Surrey, and Sofresid, of for design and supervision of the construction of an integrated steelworks in north-east Morocco.

TI order for India

Tubes of Aston, Birmingham and TI Weldless, of Wednesfield, West Midlands, have both won orders for forged rods and plain tube into over £800,000 from the Geological Survey of India, the latter responsible for superintending the exploration of Indian mineral resources.

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Bank of the South	Bank of the Republic of China	Banque Paribas
Bank of the South	Bank of the Republic of China	Barclays Bank International Limited
Bank of the South	Bank of the Republic of China	Bayerische Hypothek- und Wechsel-Bank
Bank of the South	Bank of the Republic of China	Joh. Berenberg, Gossler & Co.
Bank of the South	Bank of the Republic of China	Burns Fry Limited
Bank of the South	Bank of the Republic of China	Cazenove & Co.
Bank of the South	Bank of the Republic of China	Commerzbank Aktiengesellschaft
Bank of the South	Bank of the Republic of China	County Bank Limited
Bank of the South	Bank of the Republic of China	Crédit Industriel et Commercial
Bank of the South	Bank of the Republic of China	Crédit Suisse White Weld Limited
Bank of the South	Bank of the Republic of China	Delbrück & Co.
Bank of the South	Bank of the Republic of China	Deutsche Girozentrale — Deutsche Kommunalbank —
Bank of the South	Bank of the Republic of China	Dresdner Bank Aktiengesellschaft
Bank of the South	Bank of the Republic of China	First Boston (Europe) Limited
Bank of the South	Bank of the Republic of China	Giffin International Limited
Bank of the South	Bank of the Republic of China	Greenfields Limited
Bank of the South	Bank of the Republic of China	Hessische Landesbank — Girozentrale —
Bank of the South	Bank of the Republic of China	Industriebank von Japan (Deutschland)
Bank of the South	Bank of the Republic of China	Kansai-Oriental Bank Ltd.
Bank of the South	Bank of the Republic of China	Kleinwort, Benson Limited
Bank of the South	Bank of the Republic of China	Kuhn, Loeb & Co. International Limited
Bank of the South	Bank of the Republic of China	Lloyds Bank International Limited
Bank of the South	Bank of the Republic of China	Marck, Finck & Co.
Bank of the South	Bank of the Republic of China	B. Metzger, Seel, Sohn & Co.
Bank of the South	Bank of the Republic of China	Morgan Stanley International Limited
Bank of the South	Bank of the Republic of China	The Nikko Securities Co., (Europe) Ltd.
Bank of the South	Bank of the Republic of China	Sal. Oppenheim Jr. & Co.
Bank of the South	Bank of the Republic of China	Pierson, Heidring & Pierson N.V.
Bank of the South	Bank of the Republic of China	Privatbanken Aktiengesellschaft
Bank of the South	Bank of the Republic of China	N. M. Rothschild & Sons Limited
Bank of the South	Bank of the Republic of China	J. Henry Schroder Wagg & Co. Limited
Bank of the South	Bank of the Republic of China	Skandinaviska Enskilda Banken
Bank of the South	Bank of the Republic of China	Societe Financiera Assicurativa RAS Group
Bank of the South	Bank of the Republic of China	Strauss, Turbul & Co.
Bank of the South	Bank of the Republic of China	Trinkaus & Burkhart
Bank of the South	Bank of the Republic of China	J. Vortobel & Co.
Bank of the South	Bank of the Republic of China	Williams, Glyn & Co.
Bank of the South	Bank of the Republic of China	Yamashita International (Europe) Ltd.


Texas Commerce Bancshares, Inc.
 PARENT COMPANY OF

TEXAS COMMERCE BANK
 HOUSTON, TEXAS

Incorporated with Limited Liability in the U.S.A.

Consolidated Statement at June 30th, 1976

ASSETS	
Cash & Due from Banks	\$485,518,000
Foreign Time Accounts	320,864,000
Total Investment Securities	880,257,000
Loans	\$2,152,069,000
Less: Reserve for possible credit losses	21,164,000
Funds Sold	591,046,000
Banking Premises and Equipment	76,850,000
Other Assets	179,871,000
Total Assets	\$4,675,311,000
LIABILITIES	
Demand Deposits	\$1,505,203,000
Time Deposits	1,721,845,000
Foreign Branch Deposits	485,817,000
Total Deposits	\$3,712,865,000
Funds Purchased	501,565,000
Other Liabilities	154,257,000
8½% Debentures due 1985	50,000,000
Total Liabilities	\$4,418,687,000
CAPITAL ACCOUNTS	
Preferred Stock	\$1,531,000
Special Preferred Stock	238,000
Common Stock	35,665,000
Class B Stock	10,531,000
Surplus	90,018,000
Retained Earnings	118,641,000
Total Capital Accounts	\$256,624,000
Total Liabilities & Capital Accounts	\$4,675,311,000

NET INCOME FOR THE FIRST HALF OF 1976 WAS \$18,649,000,
 AN INCREASE OF 8% OVER THE FIRST HALF OF 1975.

London Branch, 44 Moorgate EC2R 6AY. Tel: 01-638 8021. Telex 884851.
 ROBERT C. HUNTER, Senior Vice President and General Manager.
 Offices: Houston, London, Nassau, New York, Mexico City, Tokyo.

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 GARNER ANTHONY, Chairman,
 Cox Enterprises, Inc.
 THOMAS D. BARRON, Director & Senior
 Vice President, Exxon Corporation
 HOWARD BOYD, Chairman,
 The El Paso Company
 CHARLES C. BUTT, President,
 H. E. Butt Grocery Company
 THOMAS L. CARTER, Investments
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 JOHN H. DUNCAN, Chairman,
 Gulf Consolidated Services, Inc.
 G. E. ENGLEMAN, Chairman, Union Bank of
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AMERICAN NEWS

Cool business reaction to new Canada profit rules

BY JAMES SCOTT

TORONTO, Sept. 8

NANCE MINISTER Donald Macdonald went some way to soothe the feelings of Canadian businessmen with new profit rules announced yesterday. He left the gulf between government and the federal government wider than ever. Economists, bankers and other businessmen said the changes in the anti-inflation Board profit rules were welcome but inadequate to encourage investment and create jobs as Mr. Macdonald said they are intended to do. Labour spokesmen said the new profit rules furthered the burden of fighting inflation on the backs of workers. The president of the Canadian Manufacturers Association, Mr. D. Blodreau, said the changes would only reduce the damage the Government has already done in terms of lost investment, flight of capital, poor productivity and loss of jobs. The Government is easing its anti-inflation controls on profits and announced new incentives for business to reinvest to improve productivity. Although most of the new regulations to be applied next year are the same as those proposed in Mr. Macdonald's May 25 budget, the two concessions are important to business. Business had complained that the Government would reduce profits severely by applying the regulations to individual product lines as well as to a company's total profit. A single net margin test now will be applied. To spur investment, which has sagged largely as a result of the anti-inflation programme, the Government will permit companies to keep a portion of excess profit for such investments. Mr. Macdonald stressed that the Government is committed to winding up the Anti-Inflation Board by the promised 1978 deadline. Victor Mackle adds from Ottawa: Mr. Macdonald said easier rules for business were necessary because of concern over unemployment and lagging investment by Canadian companies, but wage increases were "in excess" of the programme's objectives and there would be no easing of pay curbs.

Amex to consider gold, silver futures

The American Stock Exchange Board will today consider a staff recommendation that it begin a pilot programme for trading options in gold and silver futures. Amex sources told AP-DJ in New York. However, they said that the start of such a market "is a long way off" and depends on ultimate clearance by the Securities and Exchange Commission and the Commodities Futures Trading Commission. Pipeline puzzle The trans-Alaska pipeline project is nearly 80 per cent complete, with the pipeline portion alone 90.2 per cent complete, Alyeska Pipeline Service Company said yesterday in Anchorage. But Congressional investigators said yesterday that problems with welds on the Alaska pipeline were continuing this year rather than having ended in 1975 as claimed by Alyeska Pipeline Agencies. Uniroyal restarts Uniroyal says that it expects all its plants to begin operating immediately following ratification of a new three-year contract with the United Rubber Workers Union, Reuter reports from New York. It expects to reach full production levels by the end of the week. Strike called off A nine-day national strike of some 15,000 sugar workers in Guyana was called off yesterday after agreement was reached on a committee to investigate workers' complaints against a high sugar corporation official. Reuter reports from Georgetown. It will be headed by an Appeal Court judge. Guyana produced about 340,000 tons of sugar annually which accounts for over 30 per cent of its exports. Pollution payment General Electric, in a negotiated settlement with the Department of Environmental Conservation, has reportedly agreed to pay \$3m. to ward cleaning the Hudson River of highly toxic chemicals that it dumped there. AP-DJ reports from New York. GE has also agreed to pay \$1m. for research towards ending the problem. Caribbean loans The Caribbean Development Bank, the regional financial institution of the Caribbean Community, has approved loans totalling \$US\$44m. for four countries in the eastern Caribbean, a statement from the bank in Kingston. The new loan approvals bring to \$102.8m. the total disbursed by the bank since it started operations in late 1969. The loans were approved for the development of industrial estates, industrial credit, housing and education, and were granted to St. Kitts-Nevis-Anguilla, St. Vincent, St. Lucia and Barbados.

ARGENTINA'S GUERRILLAS

Near the end of the road

BY ROBERT LINDLEY, IN BUENOS AIRES

THE GUERRILLAS in South America are making their last stand, apparently here in Argentina. Or perhaps they already have made it and lost. This at least is the impression given by the increasing difficulties the guerrillas are having in harassing the "combined forces"—the three armed forces plus the federal and provincial police. An average of about four guerrillas are killed daily in clashes with combined forces units, who rarely lose one of their own men in these clashes any more. The dismantling of the guerrillas in Argentina was given its biggest boost so far with the killing of Mario Roberto Santucho on July 19 in the outskirts of Buenos Aires. Santucho was the leader of the Marxist "People's Revolutionary Army" (ERP) and the only legendary figure left in the entire South American guerrilla movement. Killed with Santucho was one of his top lieutenants who, like all of the ERP leadership, had been trained abroad for more than two years. Both men had in their pockets air tickets for yet another trip to Cuba on a flight leaving the day after they were gunned down. Santucho's death dramatised the predicament of the once-powertful and supercilious ERP, which three years ago was able to stake out for itself a wide swathe of jungle in the remote and impoverished province of Tucuman, in the Argentine north-west, and call it a "liberated zone". At the time of the killing of Santucho (by a special Army patrol whose commanding officer, a captain, also died in the shooting), Army intelligence estimated that the ERP had lost 80 per cent of its leadership and 50 per cent of its rank and file. In other words Army intelligence believed, perhaps pessimistically, that about 400 ERP combatants were still alive and on a war footing. With its leadership all but completely decimated, the ERP has been unable to mount any more of the brilliant strikes which were once its trademark. The most brilliant, from both the military and political points of view, were attacks on armed forces and police arsenals and the capture of priceless quantities of weaponry. It was almost exactly two years ago, on the night of August 11, 1974, that an ERP task force descended from a bus near the arsenal, which at the time was manned by only 80 troops, Catamarca province, south of Tucuman province—borders on Tucuman province—on such a mission. The Army's air transport infantry regiment was stationed nearby, and the guerrillas set out for it on foot. But they were discovered by provincial policemen, and several of them were wounded before they could disappear in the dark. The following morning, after the guerrillas obliged a federal police contingent to retreat, killing one of their officers, Army paratroopers fell on them and, in a six-hour pitched battle, killed 18. The decline of the ERP did not, of course, begin with the killing of Mario Roberto Santucho in July, but with that guerrilla's his regime's No. 1 priority. The other major Argentine guerrilla group, the nominally Peronist Montoneros (which means bush fighters, although they are almost exclusively urban guerrillas), is believed by Army intelligence to have 70,000 sympathisers. But very few are venturing to guess how large the Montoneros' fighting force might be any more. The Montoneros never had the command capacity that Santucho gave the ERP. Moreover, unlike the Marxist ERP, the Montoneros lack a coherent political plan, and also unlike the ERP guerrillas, the Montoneros tend to be careless, both individually and collectively. This seemingly inexplicable carelessness may be the result of the group's being centred principally in the university student bodies, in which secrets tend not to be kept for long and in which Government spies are numerous. "We must win this dirty war in the cleanest way possible," a Government spokesman said the other day, and then added: "In the quickest possible way as well." Officers in the combined forces excuse torture by citing the example of the French forces in the Algerian war. "As for torture," said one of them privately recently, "we know that we have a maximum of six hours, and usually no more than four hours, to get information out of a captured guerrilla which will allow us to capture more of them. So..."

Dole receives 'sincere apology'

BY JUREK MARTIN, U.S. EDITOR

WASHINGTON, Sept. 8

IE FORMER chief Washington lobbyist of Gulf Oil today rejected his previous assertion at in 1970 he had given Senator Robert Dole, the Republican Vice presidential candidate, \$2,000 to shush for Republican campaign purposes. Mr. Claude Wild said he had told Mr. Dole "a serious mistake" and offered his "sincere apology." He said that he had looked up his records for the riot and discovered his error. The 1970 case is one of two instances in which the names of Gulf Oil, which has admitted asking numerous political con-

Uniroyal restarts

Uniroyal says that it expects all its plants to begin operating immediately following ratification of a new three-year contract with the United Rubber Workers Union, Reuter reports from New York. It expects to reach full production levels by the end of the week.

Strike called off

A nine-day national strike of some 15,000 sugar workers in Guyana was called off yesterday after agreement was reached on a committee to investigate workers' complaints against a high sugar corporation official. Reuter reports from Georgetown. It will be headed by an Appeal Court judge. Guyana produced about 340,000 tons of sugar annually which accounts for over 30 per cent of its exports.

Pollution payment

General Electric, in a negotiated settlement with the Department of Environmental Conservation, has reportedly agreed to pay \$3m. to ward cleaning the Hudson River of highly toxic chemicals that it dumped there. AP-DJ reports from New York. GE has also agreed to pay \$1m. for research towards ending the problem.

Caribbean loans

The Caribbean Development Bank, the regional financial institution of the Caribbean Community, has approved loans totalling \$US\$44m. for four countries in the eastern Caribbean, a statement from the bank in Kingston. The new loan approvals bring to \$102.8m. the total disbursed by the bank since it started operations in late 1969. The loans were approved for the development of industrial estates, industrial credit, housing and education, and were granted to St. Kitts-Nevis-Anguilla, St. Vincent, St. Lucia and Barbados.

Gulf Oil-Ecuador row

BY JAY PALMER

NEW YORK, Sept. 8

DISPUTE between Gulf Oil and the Government of Ecuador dating back to earlier this year is now flared up into a major row which could ultimately result in the large U.S. oil company leaving Ecuador. In an open communiqué sent week ago and only made public yesterday, Gulf categorically threatened to terminate its oil operations in Ecuador. In the S. the company said it had requested the start of "negotiations" that would lead to an orderly withdrawal of the company from the oil sector of the country. Despite its initial hard line, however, Gulf left no doubt that there was still room for compromise. Gulf's involvement in Ecuador dates back to the early 1970s when it began as a member of a consortium to produce and transport the bulk of oil emerging from Ecuador's Oriente fields. "While, regrettable, followed unilateral actions on the part of the Ecuadorian Government which now prevent Ecuadorian Gulf from earning a reasonable profit on its large unrecovered investments." Specifically, the quarrel stems from the Government's demands that Gulf repay the country's Treasury \$13.5m. in withheld oil revenues or risk appropriation. Gulf, for its part, has accused the Government of taking crude oil in excess of entitlement, withholding profit sharing, forcing supply of local interests in excess of agreement and non-payment of debts.

Boston clash over bussing

BOSTON, Sept. 8

AT LEAST eight people were injured and 17 arrested when police and demonstrators clashed in a white area of Boston last night, the third anniversary of compulsory integration in the city's schools. Police were called out to break up a march of about 300 anti-bussing demonstrators in South Boston. Shortly afterwards, roving gangs of white youths clashed with police, throwing stones and bottles. In one incident the black driver of a bus and his passengers were hit by flying glass when youths stoned the vehicle. Boston's schools are due to reopen today after the summer holiday. Reuter

FDA loses liquor label bid

BY OUR NEW YORK STAFF

NEW YORK, Sept. 8

THE FOOD and Drug Administration (FDA), the U.S. Government agency which shares its jurisdiction over alcoholic drinks with the Bureau of Alcohol, Tobacco and Firearms (BATF), has for the moment been thwarted in its attempt to require the labels on wine and liquor bottles to list all ingredients of the bottles' contents. A Louisville federal judge has ruled that it is the BATF, which is a branch of the Treasury Department, which has jurisdiction. The BATF determined last year, after public hearings, that such labelling was not necessary. It is the FDA's contention that consumers have a right to know what ingredients they are consuming, and plans are being made to appeal the judge's decision. From the distillers' point of view, such labelling would increase their costs by requiring more chemistry, more book-keeping, and additional work in the labelling itself. Eight distillers began legal proceedings in March to contest the rule, which was to have taken effect in January 1977, a date which was later amended to January 1978. Should the labelling requirement ever take effect, liquor producers will have to list all ingredients, as well as specifying if a flavour or a colour is artificial. Preservatives would also have to be listed. Joining the distillers suit were the Distilled Spirits Council of the U.S., the National Association of Alcoholic Beverages Importers and the Wine Institute. From the distillers' point of view, such labelling would increase their costs by requiring more chemistry, more book-keeping, and additional work in the labelling itself. Eight distillers began legal proceedings in March to contest the rule, which was to have taken effect in January 1977, a date which was later amended to January 1978.

Eight Argentine guerrillas killed

BUENOS AIRES, Sept. 8

EIGHT GUERRILLAS have died in four separate clashes with security forces, the army and police have reported here. Two other persons—a police sergeant and a bank employee—were also killed yesterday, allegedly by terrorists. The killings raise the death toll in Argentina's political violence to 365 for the year. President Jorge Videla has predicted a quick victory against subversives, adding that the Government's campaign against insurgents is not limited only to the military front. "For us, subversion has political, economic, social, cultural, psychological and military dimensions," President Videla told reporters in Catamarca, 740 miles north-west of Buenos Aires. UPI

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EUROPEAN NEWS

Italy gold plea to IMF
main EEC talks topic

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, Sept. 8

ITALY is expected to try to win the backing of its Common Market partners later this week for its demand that the International Monetary Fund hold its gold auctions less frequently. The Italian request is likely to be one of the main topics raised at the next meeting of the EEC Monetary Committee, grouping treasury and central bank officials of the Nine, in Copenhagen on Friday, when Dutch proposals for closer Community co-ordination of fiscal and monetary policies are also due to be discussed.

A number of Common Market countries will also be keen to take the opportunity to sound out France's representatives on their government's economic and monetary thinking, since this will be the first formal EEC meeting to be held since M. Raymond Barre was appointed Prime Minister last month.

It is thought unlikely that Italy will be able to persuade its partners to press for postponement of the next gold auction, which is now only a week away. More realistically, it will probably try to encourage a consensus in support of its demand among the Nine in advance of the forthcoming IMF annual meeting in Manila.

The initial reaction of EEC officials has been that few, if any, of Italy's EEC partners will actively resist its request, and that it is likely to win a sympathetic hearing from France, which was the first to suggest the proposal, but never officially published it.

EEC inflation 'here to stay'

BRUSSELS, Sept. 8

ARGUING THAT inflation in the European Community is without doubt, EEC inflation rates that ranged from 20.9 per cent in Ireland to 6.1 per cent in West Germany in 1975, could be reduced short-term in some member countries but only at very high economic and social costs, notably at the expense of unemployment and stagnating living standards. The economists also warned that the EEC Commission with the economic upswing, a rapid rise in the price level, but never unduly.

AP-DJ

France
re-examines
nuclear
sales policy

By Robert Maunier

PARIS, Sept. 8

THE FRENCH Government has decided to take a long, hard look at its nuclear exports policy following talks here yesterday between President Giscard d'Estaing and Dr. Henry Kissinger, the U.S. Secretary of State.

Although suggestions that France is bowing to American pressure have been strenuously denied—the Government spokesman, M. Jean-Philippe Lecat, has stated that "no specific transaction" was discussed by the President and Dr. Kissinger—all the indications are that the French are beginning to come round to the idea that stricter safeguards may be necessary to prevent the spread of nuclear weapons.

There is little doubt that it has not been Dr. Kissinger alone who has persuaded the French to have second thoughts. The "nuclear" thrust in which the U.S. Secretary of State tried to block the sale of a French nuclear reprocessing plant to Pakistan last month caused widespread resentment in France and counter-productive if it had not gone hand-in-hand with other negative international reactions.

It was almost certainly the resolution adopted by the non-aligned nations at their recent Colombo summit calling for an oil embargo against France for supplying arms and a nuclear power station to South Africa that tipped the scales.

Since then, a top-level committee, headed by President Giscard himself and made up of the Prime Minister, M. Raymond Barre and several other Ministers, has been set up to define and co-ordinate exports of nuclear techniques and products. The announcement after yesterday's Giscard-Kissinger talks that the Government will conduct a thorough examination of all aspects of the problem of nuclear exports suggests that the gap between the American and French positions has been narrowed.

Up to now, France has maintained that, though it is not a signatory of the nuclear non-proliferation treaty, it has always respected its provisions and has obliged its clients to submit themselves to its controls.

Jogged by Dr. Kissinger and lobbied by the non-aligned nations, however, French thinking on the subject appears to have become less rigid. As the Government has decided to embark on a re-examination of its nuclear exports policy, it can only be assumed that it is beginning to have doubts about the effectiveness of the controls which have been applied hitherto and that it is willing to look at a system of stricter safeguards.

Police swoop
after Corsica
airline blast

AJACCIO, Sept. 8

THE DESTRUCTION of an Air France Boeing 707 airliner on the ground here last night brought widespread police action today against Corsican autonomist circles and heightened tension on this French Mediterranean island.

Police released about 50 people detained immediately after the aircraft went up in a ball of flames late last night, but held another 30 for questioning. No one was injured in the blast.

The airport attack was the most dramatic incident involving the Corsican autonomist movement, which contains an element of anti-tourism, since two policemen were shot dead by activists a year ago. An extremist group calling itself the Corsican Liberation Front claimed responsibility, and police said they had identified the attackers.

The incident occurred after a demonstration by autonomist elements, who had been confronting large forces of police on roads into Ajaccio for several hours.

The lorry drivers were demanding the release of a local union leader arrested last month during another demonstration sparked by their discontent over ferry charges to the mainland.

No official reason for the postponement was given, but diplomats said the most serious problem probably arose from the alleged kidnapping by Yugoslav agents in the Romanian capital in August last year of a hard-line Communist and anti-Tito émigré leader, Mr. Vladimir Dapcevic.

Mr. Dapcevic, a naturalised Belgian citizen, was jailed here this July for 30 years for crimes against the state.

Despite the postponement, Yugoslav officials say relations between the two countries and

THE ANDREADIS TAKEOVER IN GREECE

The spread of State control

BY OUR ATHENS CORRESPONDENT

THE inconsistency of the mandatory management of a pared—and subsequently passed by the military regime which was raising eyebrows in business circles in Greece. While it keeps insisting that it serves private initiative, the Government is at the same time extending state control in several fields, stopping just short of nationalisation.

The most recent case has been the enactment of legislation whereby the Andreadis group, the country's biggest private business empire, is being placed under varying degrees of State control.

In a country where most industry is still family-owned, Professor Stratis Andreadis controls and runs the Commercial Bank of Greece (the country's No. 2 commercial bank) and through it he controls three other commercial banks, an investment bank (with minority ownership by ten American and European banks, including Barclays Bank and Samuel Montagu), three insurance companies, two shipyards, a fertiliser plant, the Athens Hilton Hotel, a mutual fund, and a large number of smaller enterprises. Andreadis also controls a number of small banks and extensive shipping interests.

The Government's economic overlord, Co-ordination Minister Panayotis Papaligouras, has repeatedly stated that the government is basing the country's economic and social progress on private initiative which it is determined to encourage and strengthen. But, Mr. Papaligouras adds, there is a fundamental distinction between ordinary industrial and commercial enterprises on the one hand and banking institutions on the other. Concerning commercial banks in particular, he stresses that the Government and the monetary authorities are duty bound to maintain a watchful eye on the public's savings, a duty recognised even in the most unrestricted of capitalist countries like the U.S.

In this context, Mr. Papaligouras tabled a bill in Parliament late in August which, he told the House, would ensure the functioning of the banking system in accordance with the regulations of the Government's powerful currency committee.

The Bill, already approved by Parliament, has two main provisions. First, if a bank has repeatedly been placed under the

control of a judicial investigation, or contrary to normal procedure the banks concerned have not been invited to provide explanations, Mr. Andreadis has branded the Government bill as a blatant confiscation of his business empire.

He explains that the shares were legitimately transferred abroad in 1972 when they were being threatened by a law being pre-

pared—and subsequently passed by the military regime which was raising eyebrows in business circles in Greece. While it keeps insisting that it serves private initiative, the Government is at the same time extending state control in several fields, stopping just short of nationalisation.

Against this, however, is the fact that Mr. Andreadis was permitted to take over a large portion of his shares. The shares, sold to Andreadis-controlled companies, have always remained in Greece, and have since been returned to the original shareholders (the holders).

Second, the increased share capital may not be taken up by the original shareholders (as they which he has obviously not been

forgiven. A second apparent mis- take was that he somehow linked control of practically all his companies in Greece in a chain that started with the Commercial Bank of Greece.

Mr. Andreadis claims the bill is anti-constitutional and reeks of government revenge against him. He points out that for about Dr. 4.4bn. (€53m.), the State will be taking over an empire estimated at more than ten times this amount, at the same time proclaiming its devotion to private initiative.

The 71-year-old former Professor of administrative and constitutional law, whose financial base abroad is much stronger than his banks and companies in Greece, has indicated that he will challenge the legality of the bill before the Council of State (the country's supreme administrative court).

Overall, Premier Karamanlis' handling of economic and social problems has thus far been astute. He not only enjoys a two-thirds majority in Parliament—the biggest Parliamentary majority in democratic Europe—but all opposition parties are politically to the Left of his Government. And yet, most of his measures, including the present banking Bill, are seen to be more radical than anything the opposition, even the Communists, have been able to put forward.

Thus, however reluctantly, the opposition follows his lead. During the debate on the Bill in Parliament, opposition leaders criticised the Government for

not having the courage to see the Bill was aimed at Mr. Andreadis personally and, in fact, asked Mr. Papaligouras to limit it to Mr. Andreadis, Mr. George Mavros, the leader of the main opposition party, said the Government should ensure that no further business empires are built the Andreadis way.

Earlier this year, several industrialists accused the government of allowing a "socialist map" to pervade its economic policies. The State takeover provided by the bill has not created grave concern to private business circles, because precedent for the application of this or similar laws in the future is being established. The same circles point out that the bill introduces the paradox of the State taking over, without compensation, not sectors of the economy, but this property of only certain particular individuals, while exempting other individuals belonging to other individuals remain under private control, at least for the time being.

The Government already controls and practically runs the Greek banking system. The biggest and oldest commercial bank is the National Bank of Greece, which handles about 80 per cent. of all commercial banking business and also has enormous real estate holdings.

The Andreadis banks hand another 20 to 25 per cent. business. The remaining 15 to 20 per cent. is in the hands of 12 foreign bank branches (whose activities the opposition is urging the Government to curtail) and three small private Greek banks. Among specialised banks, the Government's control is even more thorough. Apart from the Bank of Greece (the Central Bank), it owns the Agricultural Bank, the Hellenic Industrial Development Bank, the Office Savings Bank (and through the National Bank) it also controls two mortgage banks and an investment bank.

Impatient at what it considers the slow pace of private investment, last year the Government formed a Dr. 3bn. (€36m.) consortium of government-controlled banks to undertake investment in the mining and chemical fields, while at the same time, formed the public petroleum exploration and prospecting.

THE ANDREADIS TAKEOVER IN GREECE

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THE ANDREADIS TAKEOVER IN GREECE

Anglo American
Investment Trust Limited

(Incorporated in the Republic of South Africa)

REPORT FOR THE HALF-YEAR ENDING 30TH SEPTEMBER 1976
AND DECLARATION OF INTERIM DIVIDEND NO. 73 ON THE ORDINARY SHARES

The following are the estimated results of the company for the six months ending 30th September 1976, together with the figures for the six months ended 30th June 1975 and the fifteen months ended 31st March 1976. These should be read in conjunction with the notes below:

	Six months ending 30.9.76	Six months ended 30.6.75	Fifteen months ended 31.3.76
R000's			
Investment income (see notes)	16 073	19 089	50 175
Interest earned	247	303	698
	16 320	19 392	50 873
Deduct:			
Administration expenses	254	244	594
Interest paid	54	—	117
Provision for taxation	67	118	208
	375	362	919
Net profit after taxation	15 945	19 030	49 954
Preference dividend	130	150	300
Equity earnings (see notes)	15 735	18 880	49 654
Cost of interim dividend No. 73 of 150 cents a share	15 000	9 800	
Number of ordinary shares in issue	10 000 000	10 000 000	10 000 000
Earnings per ordinary share—cents	158	189	497
Dividends per ordinary share—cents (see notes)	150	95	305

NOTES:

- The company has changed its year end from 31st December to 31st March and the results for the six months ending 30th September 1976 are therefore not comparable with the results for the six months ended 30th June 1975. In particular, the results to 30th June 1975 included the De Beers final dividend for the year to December 1974 whereas the results to 30th September 1976 include only the De Beers interim dividend for the year to December 1976.
- As previously announced the company's interim and final dividends are now based on the dividends paid by its major investments out of their earnings to June and December respectively in each year. De Beers has recently increased its interim dividend to 12.5 cents per share (8 cents) to reduce the disparity between the interim and final dividends. For the same reason, the company has increased its interim dividend.
- It should not be assumed that the results for the six months ending 30th September 1976 will necessarily be proportionate to the results for the year ending 31st March 1977 because investment income does not accrue evenly throughout the year. It will be recalled that the results for the 15 months to 31st March 1976 included three dividends from De Beers—two final and an interim and that an amount similar to that accrued in respect of the De Beers 1975 final dividend was transferred to general reserve.
- Particulars of the company's listed investments are as follows:

	7.9.76	30.6.75	31.3.76
R000's			
Market value	343 159	349 147	303 505
Book value	46 394	45 944	46 394
Appreciation	296 765	303 203	257 111

* The last practical date before publication of these results.

Diamond Sales
The company has substantial interests both in De Beers Consolidated Mines Limited and in the diamond trading companies of the De Beers Group. Sales by the Central Selling Organisation (C.S.O.) for the period 1st January to 30th June 1976 amounted to R861 908 000, a 92 per cent. improvement over sales of R356 080 000 attributable to the previous six-month period. For the year ended 31st December 1975 C.S.O. sales amounted to R733 479 000.

For and on behalf of the Board
H. F. Oppenheimer, Directors
J. Ogilvie Thompson

INTERIM DIVIDEND NO. 73 ON THE ORDINARY SHARES

Notice is hereby given that dividend No. 73 of 150 cents per ordinary share (1975, 95 cents) being an interim dividend for the year ending 31st March 1977, has been declared payable to ordinary shareholders registered in the books of the company at the close of business on 24th September 1976.

The ordinary share transfer registers and registers of members will be closed from 25th September to 8th October 1976, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about 4th November 1976. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 26th October 1976 of the dividend value of the dividends (less appropriate taxes). Any such shareholder may have effect to be paid in South African currency provided that any such request is received at the offices of the company's transfer secretaries in Johannesburg or the United Kingdom on or before 24th September 1976.

The effective rate of non-resident shareholders' tax is 14.9520 per cent. The dividend is payable subject to conditions which can be inspected at the head and London offices of the company and also the offices of the company's transfer secretaries in Johannesburg and the United Kingdom.

By order of the Board
ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED
Secretaries.

per C. L. Maltby,
Senior Divisional Secretary.

Registered Office:
44, Main Street
Johannesburg 2001,
South Africa.

Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford, Kent,
TN24 5EQ.

London Office:
40, Holborn Viaduct,
EC1P 1AJ.

8th September, 1976.

Transfer Secretaries:
Consolidated Share Registrars Limited,
62, Marshall Street,
Johannesburg 2001,
(P.O. Box 61051, Marshalltown 2107),
South Africa.

Charter Consolidated Limited,
P.O. Box 102,
Charter House,
Park Street,
Ashford, Kent,
TN24 5EQ.

London Office:
40, Holborn Viaduct,
EC1P 1AJ.

8th September, 1976.

Ceausescu arrives in Yugoslavia for talks with Tito

LJUBLJANA, Sept. 8

ROMANIAN President Nicolae Ceausescu arrived today for a three-day official visit to Yugoslavia and was met at Ljubljana airport by President Tito.

The two Presidents were to go to Marshal Tito's nearby Alpine retreat, Brdo kod Kranja, for talks originally scheduled for last October but abruptly postponed until now.

No official reason for the postponement was given, but diplomats said the most serious problem probably arose from the alleged kidnapping by Yugoslav agents in the Romanian capital in August last year of a hard-line Communist and anti-Tito émigré leader, Mr. Vladimir Dapcevic.

Mr. Dapcevic, a naturalised Belgian citizen, was jailed here this July for 30 years for crimes against the state.

Despite the postponement, Yugoslav officials say relations between the two countries and

THE ANDREADIS TAKEOVER IN GREECE

Nippon T & T

NIPPON TELEPHONE and Telegraph Public Corporation is expected to sign a contract with a syndicate headed by Deutsche Bank for the flotation of a DM100m. bond guaranteed by the Japanese Government, Japanese underwriter sources say.

The terms are still under negotiation but the loan period is likely to be seven years or longer.

Reuter

Rhone-Poulenc sales

THE MAJOR French chemical and textiles group Rhone-Poulenc said on Wednesday that its consolidated first-half turnover this year totalled Frs.10,771bn., an increase of 18.9 per cent. from the Frs.9,058bn. recorded during the same period last year.

The company remarked that turnover growth over the first quarter of this year was only 12 per cent.

Reuter

Venezuela oil plan

Venezuela's nationalised petroleum industry will invest over \$930m. next year in expanded exploration, alterations in refining pattern and general industry maintenance, writes our Caracas correspondent. With total proven reserves at about 13.5bn. barrels, Venezuela theoretically has about 23 years of crude available unless new deposits are found.

The country also needs to boost petrol output, which will be outstripped by domestic demand by 1982.

Reuter

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مكاتب الأمل

OVERSEAS NEWS

Russia moderates Lebanon stand

BY DAVID SATTAR

AFTER A month of Soviet support for the Palestinian and the Moslem Lebanese Left, the Communist Party newspaper Pravda, said today that only a political solution based on a reasonable compromise can end the Lebanese war.

For the first time, it also criticised some "left-wing elements within the Palestinian movement and the patriotic forces" for attempting to "reject out of hand" any peaceful proposals that could lead to an end of the fighting.

In the most carefully worded and dispassionate of the official Soviet statements on the situation in Lebanon, Pravda said that civil war can be solved peacefully and democratically by the Lebanese themselves with respect for the independence and territorial integrity of Lebanon.

The article was signed "Observer" which indicates the highest Kremlin approval.

Pravda said that a settlement must not be achieved at the expense of the Right of the

MOSCOW, Sept. 8.

Palestinians or of the "lawful demands" of the Lebanese Left, but that 17 months of fighting have shown that the conflicts cannot be resolved through military means.

The newspaper again criticised Syria for its intervention in Lebanon, but did not directly condemn Syria's act on or repeat its call for a withdrawal of Syrian troops.

Instead, it called for the "restoration" of Syria's disrupted co-operation with the Lebanese Left and the Palestinians.

Palestinians urged to set up government in exile

BY HUSAN HIJAZI

THE admission of the Palestine Liberation Organisation as the twenty-first member of the Arab League and Palestinian refugees on the Lebanese crisis has raised the question of establishment of a Palestinian government in exile.

The decision to admit the PLO as a full member of the League, taken in Cairo on Monday, is thought by some observers to be a morale booster after what the Palestinians regarded as attempts to suppress the guerrilla movement.

But a member of the Lebanese cabinet today urged the PLO to put the League move into practical use by setting up government in exile which will consolidate Palestinian legitimacy to go hand in hand with the rejected rise of a new Lebanese Government under President-elect Elias Sarkis when he assumes power on September 23.

Meanwhile, the visit to Damascus today by Mr. Kamille Chamoun, the Lebanese Minister of the Interior and leader of the

right-wing group, the National Liberal Party, is given special significance here. This is because Mr. Chamoun, a former President, is considered a militant Christian, and because this is his first visit to Syria in 22 years. Until Syrian troops came here in June to support the Christians against the Palestinians and Left wing, the relationship between Mr. Chamoun and Damascus was strained.

Sources close to Mr. Chamoun said he intends to urge Syria to resort to outright military action to force the guerrillas to return to their camps and to withdraw from the eastern mountains.

Although Mr. Kamal Jumblat, the leader of the Left-Moslem alliance and the PLO's strongest ally here, has already urged the Palestinians to form their own government in exile, some observers see complex difficulties involved.

The idea of a Palestinian government in exile was proposed seriously by Egyptian President Anwar Sadat as early as 1972.

BEIRUT, September 8.

However, the idea came in for sharp criticism from Syria and the Damascus-sponsored guerrilla group, Al Saqa. Although the main group, Al Fatah, was reported to be in favour of the idea, its leader, Mr. Yasser Arafat, who is also the PLO chairman, was afraid the issue could widen the split in command ranks.

The "Rejection Front" led by the Marxist Popular Front for the Liberation of Palestine (PFLP) also rejected the idea, maintaining that a government in exile meant bringing the guerrilla movement into plans for a peaceful settlement with Israel.

At the official level, the PLO, to be able to go ahead with setting up a government, will need a decision from its own parliament, the Palestine National Council which has not met for almost two years. Efforts earlier to form a new parliament did not materialise because of the internal split which has now widened with the falling-out between Saika and the PLO over Syrian military involvement in Lebanon.

COLONEL KHEDAFFI'S LIBYA

A talent to alarm

BY JAMES BUXTON, RECENTLY IN LIBYA

IT MAY be a difficult fact for President Sadat of Egypt to accept but no amount of oratory and the little direct action he can reasonably take is likely to bring down the regime of President Muammar Khedafi of Libya. Barring an accident or an internal army upheaval in Libya, President Khedafi, who last week celebrated the seventh anniversary of the Revolution which brought him to power, looks set to continue on the course which infuriates and alarms his more moderate neighbours.

The anger of President Sadat and of several other Middle East Leaders boiled over when, early in July, President Jaafar Mohammed Nimairi of Sudan charged that Libya had backed the bloody coup attempt against him. It was the climax of a long series of highly provocative moves by the Libyan leader. In the past year all but one of Libya's neighbours have suffered attempted insurgency by forces inspired and helped by President Khedafi. The only exception has been Algeria, while Libya's southern neighbour Chad has suffered the annexation of a substantial part of its territory, thought to contain uranium deposits, and official maps of Libya have been amended accordingly.

The scale of activities in the Middle East, as well as the Libyan leader's support for terrorist groups as far apart as Ireland and the Philippines, appears to have convinced President Nimairi and President Sadat that their neighbour is a menace whose removal is highly desirable, and that at any rate they should try to isolate Libya diplomatically in the Middle East.

Despite a military pact between the two countries little has so far been achieved. The rhetoric has been stepped up, while an estimated 30,000 Egyptian troops have been moved into the Western Desert near the Libyan border. Sudanese troops are reported to be doing the same thing in the south. There has been a steady worsening in day to day relations between Egypt and Libya, while Sudan has broken off diplomatic relations.

Even though Col. Khedafi has substantially increased education at all levels, which must be one of the major achievements of his regime, this has barely increased political consciousness. In some

ways this is not surprising when one considers that the secret police are all-pervasive, dissent is punished with imprisonment (there are thought to be between 100 and 200 political prisoners) and Libyans have lived all their lives with a rigidly controlled Press. Most Libyans are content

any this year after they protested against Government attempts to influence the election of student representatives. One source claims that other students were later tortured—not, according to the torturers to obtain information but simply as a punishment.

Another 250 students were reported to have been injured at the University of Tripoli in April after a demonstration by most observers believe that it is the Government's inept handling of the students rather than a developing political consciousness which has caused the trouble. Nevertheless, these students who have suffered are likely to develop bitterly anti-Government attitudes.

While lacking normal political freedoms Libyans do have a chance to express their grumbles through the system of Popular Congresses under the sole political organisation, the Arab Socialist Union. Usually, though, they are too cowed by the obvious power of the Revolutionary Command Council to make much use of this opportunity. President Khedafi claims that the Libyan political system "solves the problem" of democracy, but he admits the real nature of power in Libya in a highly telling passage at the end of the only published chapter of his little Green Book.

Talking about the Libyan Popular Congresses he says: "This is real democracy from the democratic angle, but from a factual angle the strong always rule." For those who may miss the point he goes on: "In other words the stronger side in society is the one which rules." This is well understood in Libya.

Effective dissent appears to be largely confined to the Armed Forces. Even though they rule the country through the RCC they have difficulty recruiting sufficient numbers (the Army now numbers about 22,000, the Navy about 2,700 and the Air Force 5,000) since most educated and uneducated Libyans prefer to go into business or, reluctantly, Government service. This may bode ill for the

calibre of the country's future rulers. Dissent inside the Army is very hard to fathom, but last year at least 30 officers are known to have been rounded up after an attempted coup which led to the slimming down of the RCC from 11 to an effective group of five, including Col. Khedafi and the able, moderate Prime Minister, Major Abdul Salam Jalloud. The President's dominance over this body and the country as a whole is total: he personally has to sign the cheques for large items of expenditure and keeps a close watch on every kind of development in the country and outside.

Unless Libya's enemies can penetrate the Armed Forces Col. Khedafi may well continue his foreign policies which are coherent and consistent. If naive, he believes fervently in Arab world's failure to achieve unity and is disgusted at imperialism wherever it may be found, and as a virulent hater of Zionism he is firmly committed to the Palestinian cause. None of these is an ideal with which the Libyan people seriously disagree, even if it might leave the need to preserve their so obviously Libyan appearance to enjoy the fact that their leader has not their country on the map.

The strategy has not, it might be argued, been very successful. None of the insurrections, which Col. Khedafi supports abroad, has yet won a decisive victory. He has done nothing to further Arab unity. Despite a dedicated two-month initiative in Lebanon by Major Jalloud, the conflict in the Lebanon remains unresolved, the Palestinians are weaker than ever and Israel has gained accordingly.

Col. Khedafi is capable of modifying his ideas—he now admits that he may not see Arab unity within his lifetime. He may now be taking a more moderate line on terrorism (it is perhaps significant that Major Jalloud said on Sunday that under no circumstances would he allow the hijacked KLM airliner to be allowed into Libya). But his stance has so far earned him high standing in the Third World, or notoriety—depending who is regarding him. It is a sobering thought that, excepting replacement of Col. Khedafi by someone less ambitious, the world may have to accept more of the same from Libya.



Colonel Khedafi

NZ union Bill delay

BY DAI HAYWARD

WELLINGTON, Sept. 8.

PRIME Minister Robert Muldoon has agreed to delay introduction of tough new industrial legislation for up to three weeks to give unions and employers chance to consider it. The proposed legislation which was originally planned to be introduced into Parliament this week imposes severe penalties on trade unions, union leaders and workers who strike outside permitted areas.

The measure brought a strong reaction from trade unions, with a direct confrontation between the Government and the unions.

After considering details, the industrial relations council, comprising employers and trade union members under chairmanship of Labour Minister Peter Gordon asked the Prime Minister to delay the Bill to give employers and trade unions time to examine proposals. Mr. Muldoon agreed.

Cutback in Oman budget

BY BARBARA CASASSUS

MUSCAT, Sept. 8.

OMAN'S GENERAL budget is set to shrink by around 10 per cent to RO155m. to RO139m. in Oman Riyals (RO) (£17.5m.) annually between this year and 1980 in the guideline summary of the Sultanate's five-year development plan published in the fortnightly official gazette.

The figures, which are estimates on current prices, show a plan envisages a cutback of 5.5 per cent in the budget over the period from RO650m. to RO484m., because of an anticipated decline in oil income from RO470m. to RO425m. and a dramatic fall in loans and aid from RO155m. to RO139m.

However, officials point out this projection is based on the most pessimistic view of Oman's economic development and that oil explorations now underway may well prove sufficiently successful to reverse the decrease in earnings before 1980.

The statistics quoted in the plan are taken from one chart in the full report of the plan, which is scheduled for publication at the end of the month.

Australian demand picks up

CANBERRA, Sept. 8.

PRIVATE domestic final demand for goods and services, seasonally adjusted and at constant prices, increased by 1.9 per cent in the first half of this year following a rise of 0.8 per cent in the previous half year, the Treasury reported today.

The Treasury said in its monthly review of the economy that final demand rose by 1 per cent in the March quarter and 2.4 per cent in the June quarter. Despite a military pact between the two countries little has so far been achieved. The rhetoric has been stepped up, while an estimated 30,000 Egyptian troops have been moved into the Western Desert near the Libyan border. Sudanese troops are reported to be doing the same thing in the south. There has been a steady worsening in day to day relations between Egypt and Libya, while Sudan has broken off diplomatic relations.

The review said that in the half year up to June total public sector spending, in seasonally adjusted constant prices, declined 1.9 per cent, falling 4.4 per cent in the March quarter and rising 4.8 per cent in the June quarter, after increasing by 1.9 per cent in the December half year. Total domestic final demand rose by 1.1 per cent in the June half year, much the same as in the December half year.

Later figures showed that the value of retail sales, in seasonally adjusted current prices, rose by 3.6 per cent in the three months to July following increases of 4 per cent in the preceding three months.

In the three months to July registration of new cars totalled 118,300, the seasonally adjusted, compared with 120,500 in the three months to April and 102,600 in the three months to January 1976.

The Treasury said registrations declined sharply in July, apparently as a result of more stringent emission control specifications for cars.

In the three months to July, seasonally adjusted private dwelling approvals totalled 33,300 compared with 35,300 in the three months to April and 35,100 in the three months to January.

AP-DJ

Rise in Iran oil exports

TEHRAN, Sept. 8.

THE NATIONAL Iranian Oil Company (NIOC) increased its direct crude oil exports in August to 953,851 barrels per day, an official statistic disclosed today.

Apart from its sales through the Western consortium, now estimated at 5.6m. barrels per day, NIOC has been scheduled to export 600,000 barrels of oil per day in August. But in view of new sales contracts with Bangladesh, India, Romania, Sri Lanka, Bulgaria and Czechoslovakia, NIOC increased exports, the report said.

The statistics disclosed that during the first four months of 1976 NIOC average exports reached 494,000 barrels per day. NIOC is currently engaged in sale negotiations with a number of independent companies, according to a source.

AP-DJ

Foxbat examined

TOKYO, Sept. 8.

JAPANESE military experts today started checking the top secret MIG-25 Foxbat aircraft flown to Japan on Monday by a Soviet pilot seeking asylum in the United States, the Defence Agency here said.

Reuter

ON OTHER PAGES

International Company News: Seas projections, Renault reshuffle, 30

Farming and Raw Materials: Danish drought threat, Copper stockpile denial, 39

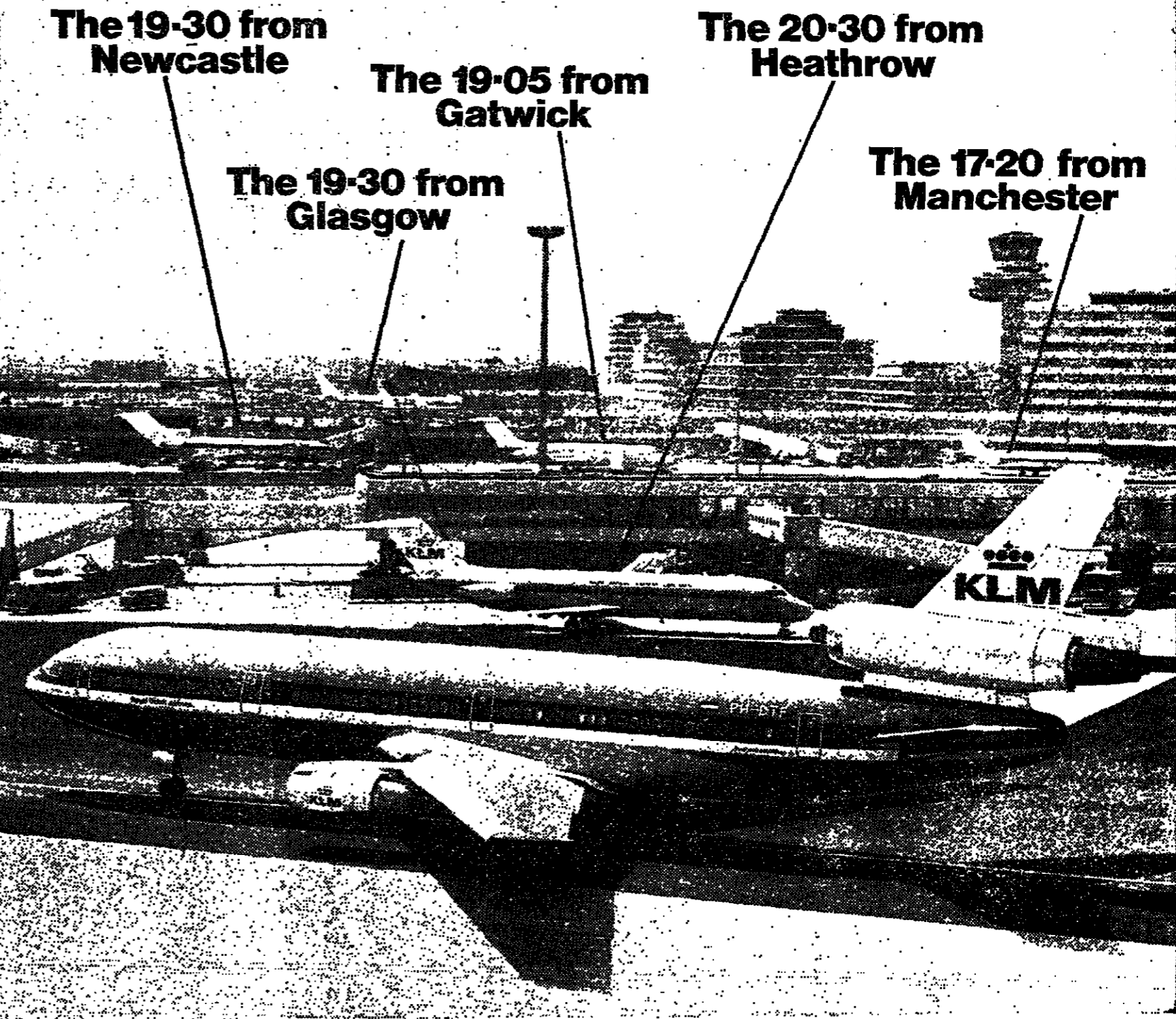
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The 19-05 from Gatwick

The 20-30 from Heathrow

The 19-30 from Glasgow

The 17-20 from Manchester



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SITE SOLD FOR DEVELOPMENT

DEVELOPMENT LAND TAX

Development land tax (DLT), which came into effect on 1 August 1976, is a new tax on profits resulting from the development of land. Development Land Tax—a practical guide, by Clifford Joseph, is a detailed and authoritative exposition of DLT explaining who has to pay the tax, what the rates are and how they are assessed, how the tax is administered and what exemptions there are. Useful information is also given for those wishing to minimise the incidence of DLT.

Development Land Tax—a practical guide (just published) £4.75 (£5.00 by post).

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HOME NEWS

Rolls would work with U.S. group on engines

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ROLLS-ROYCE (1971) is prepared to collaborate with Pratt & Whitney of the U.S. on both types of engine likely to be needed for the next generation of medium-range airliners. These are the Pratt & Whitney JT-10D of about 28,000 lb thrust and the new lower-thrust version of the Rolls-Royce RB-211, the so-called Dash 535, about 30,000 lb thrust.

Sir Kenneth Keith, chairman of Rolls-Royce, said at Farnborough yesterday before he left for talks with airlines and aerospace manufacturers in the U.S. that he was convinced that the uncertain situation in world aircraft markets would resolve itself in a few months and that big orders would emerge for the new generation of aircraft.

He was determined to see Rolls-Royce get its share of these markets, and for that reason was prepared to join forces with Pratt & Whitney on whichever engine was likely to be chosen by the airlines.

The choice of engine would be dictated by the airlines according to the size and type of aircraft they wanted to buy. Boeing

of the U.S. would be the leading manufacturer meeting those world market requirements. Boeing is already offering two types of engine for the RB-211, the JT-10D, Rolls-Royce would discuss with it the lower-thrust RB-211. Whichever way the air lines went, the two companies could offer a power plant for their needs.

It would be most unlikely that both engine programmes would eventually be adopted by the airlines, but both companies needed to back both options until the airline market clearly indicated the way in which it wished to go.

Boeing, at a Farnborough Press briefing on its JT-10D and JT-10D programmes, said that this autumn it would make a major effort, especially in the U.S., to win airline orders to enable it to launch one of its programmes.

Boeing also clearly feels that the uncertainties on airlines are not likely to last long especially if the strong improvement in passenger traffic continues, and Boeing says convinced that airline decisions from at least two major U.S. operators are only a few months away.

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Nato to decide on Boeing's airborne warning system

THE NATO Ministerial Council is expected to take a decision later this year whether to buy the U.S. Boeing E-3A Airborne Warning and Control System.

A fleet of high-flying specially equipped Boeing 707 jets would create a permanent airborne radar umbrella over the whole of Western Europe.

Mr. Thomas C. Reed, Secretary of the U.S. Air Force, said at Farnborough yesterday that the U.S. as a Nato member had no doubt of Europe's need for such a system to plug a gap in its aerial defences. The U.S. Air Force was already planning to have it.

The case with which the Soviet MIG 25 combat aircraft slipped into Japan earlier this week without detection until the last minute showed how an advanced performance aircraft could slip through the European ground-based radar net.

The Boeing system, with its sophisticated downward-looking radar aboard jets that would be flying higher than 30,000 feet, was designed specifically to give early warning of just this kind of situation.

Mr. Reed's enthusiasm for the system, however, masks the problem of its cost. A fleet of up to 32 long-range Boeing 707 jets equipped with all the complex electronics involved would cost \$45m. each, or a total of \$1.5bn. With spares, training, support and operational costs, the overall bill for Nato would be several times that amount.

Some countries such as the U.K. and West Germany recognise the need for an early warning system, but others are less convinced. All are concerned at the high costs.

As a result, Boeing, which has a big team of experts at the Farnborough International Show, is offering substantial off-sets on the deal, including a high proportion of the electron-

ics and airframe work that would be involved. The U.K. and West Germany are the prime targets for the Boeing campaign, and there is no doubt that the U.K. aerospace industry finds the prospect of participating in the programme attractive.

The RAF is anxious to get a new airborne early warning system to replace its ageing Shackleton aircraft. Over the next few weeks,

Boeing will be refining the details of its proposals for Nato and these are expected to be submitted by October, to enable the Nato Council to make its decision by December.

If Nato as a whole rejects the system, the U.K. would still have a "fall-back" position in that it could modify the existing Hawker Siddeley Nimrod anti-submarine aircraft to equip it for an airborne early warning role.

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Businessmen seek better deal on use of airports

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE BUSINESS AIRCRAFT Users' Association, which represents 55 of the U.K.'s biggest commercial and industrial organisations, is seeking to retain the right to fly into Heathrow and Gatwick. The British Airports Authority wants this type of aviation transferred to other airports in South-East England.

The association has written to Mr. Edmund Dell, Trade Secretary, asking for a meeting. It wants to discuss the idea of business aircraft being allocated permanently a proportion of available capacity at both Heathrow and Gatwick in order to cater for the rapid growth of other types of air travel which threatens to swamp runway capacities at both airports.

The airports authority recently told the association that there would be inadequate runway capacity for business aircraft in 1981 and that even then at Gatwick, where there is a flourishing business and general aviation terminal separate from the main airport buildings, there would be runway saturation by 1985.

The association says that its members have a turnover of

more than £30bn. a year, employ about 2m people and are responsible for a high proportion of the country's exports. Their executives, therefore, should be accorded as much if not more priority at Heathrow and Gatwick than holidaymakers to the Mediterranean.

In the longer-term, the business flyer needed an airfield of his own somewhere in the London area. The association would like to take over Northolt, where it is already allowed to operate on a limited basis.

LAKER AIRWAYS has applied to the British Civil Aviation Authority for permission to operate new low fare services from the U.S. to Britain. The move results from a U.S. ruling that permits new low fare charter flights for Americans to fly to Europe. The rule will permit tens of thousands of low income earning Americans to visit Europe for the first time.

complaint about the expense of isolating the figures for the Ghia, produced in Germany, and it is this year that cars like the Ghia, plus the Vauxhall Cavalier and the Chrysler Alpine have been identified as imports.

However, there has also been a retrospective analysis of last year's figures, and this has added virtually a percentage point to the total for last August, pushing it above this year's August figure, and therefore to the highest import penetration figure ever achieved.

Over 1976 so far overall, however, imports are still substantially higher than they were last year, largely due to vehicles brought in from the rest of Europe, including those sold by the British-based American multinational firms. On an eight-month basis imports have risen to 36 per cent, against 33.1 per cent over the same period last year.

The most popular car in Britain last month was the Escort, with sales of 14,569, followed by the Cortina (13,621), the Mini (13,015), the Marina (8,321) and the Allegro (8,792).

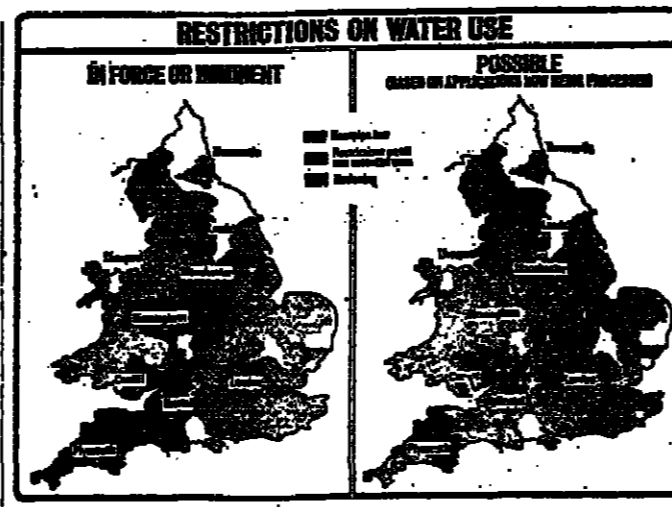
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As weather experts forecast a break in the generally warm and dry spell, the Department of the Environment yesterday issued maps illustrating the powers secured by the regional water authorities under the Drought Act and the further powers they are seeking. At the same time, Mr. Denis Howell, the Drought Minister, made it clear that contingency plans for the transfer of water, both in the immediate future and next year, were being hurried through. Without above-average rainfall this winter the crisis would continue in 1977, he said.

Banks lend £25m. for Nypro plant

BY RHYS DAVID, CHEMICALS CORRESPONDENT

A £25m. FINANCING scheme to help with the cost of rebuilding the devastated Nypro (U.K.) caprolactam plant at Flixton, Lincolnshire, has been put together by Barclays and Lloyds banks.

They are each making a £10m. medium term loan together with a £5m. overdraft facility to towards the £35m. total cost of reconstruction.

Repayment on the medium term loans is being deferred for five years while the new plant, which replaces the former Nypro works largely destroyed in an explosion in June, 1974, comes into operation. They will then be repayable over four years beginning in 1981 and 1982.

The joint owners of Nypro, the National Coal Board and DSM, the Dutch State-owned chemicals concern, were given permission to rebuild the plant for the manufacture of caprolactam, a raw material used in nylon, after a planning inquiry this year.

A public inquiry into the explosion, in which 28 people died, concluded last year that failure in a temporary pipe had caused the accident.

The BISCO has arranged a meeting with Mr. Bob Scholey, BSC's chief executive, and will attempt to persuade him that something more concrete in the way of assurances is required.

The steel price increases next month will be the fourth major round of changes imposed by the corporation this year.

At a meeting of the British Iron and Steel Consumers' Council yesterday it became clear that the users were disappointed about the way the corporation had reacted to their pleas for more price stability.

When announcing last week that the prices of about two-thirds of its domestic output were to be raised by an average of 10 per cent from October 3, the BSC promised to hold prices at the new levels for six months, "as long as production costs show no further increases beyond those already anticipated."

Some of the big steel users feel this leaves the corporation with so much room to manoeuvre that the promise is worthless.

At this level they could expect to lose the advantages they had been gaining from the fall in the value of the pound against other currencies.

emerged as the two areas competing for the headquarters, the establishment of which is expected to create about 75 to 100 jobs.

The lack of an announcement raises suspicions that political factors may be becoming more important than the various advantages offered by each area.

The organising committee is believed to have recommended Merseyside, recognising the Government's commitment to a development area, and believing that it is better placed for international and inter-Britain travel.

Most members of the committee would nonetheless prefer to be based in London because it is one of the world's leading

Merseyside and Tyneside have shipping capitals.

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LABOUR STRATEGY 'BLOWN OFF COURSE'

Seamen climbed down in 1966 after striking for 45 days

BY DAVID CHURCHILL, LABOUR STAFF

TEN YEARS AGO, on May 15, 1966, the National Union of Seamen started a major confrontation with the employers and Government in a strike which lasted 45 days, and effectively ruined the then Labour Government's economic strategy.

The dispute ten years ago was, as now, basically over improved pay for seamen. The NUS's demand in 1966 was for a 40-hour working week, which would have effectively meant a pay rise of some 17 per cent.

This was rejected by the employers on the grounds that the industry could not afford it and also that, in 1965, the seamen had received a 15 per cent increase to compensate for the long hours spent at sea.

The seamen refused to listen to appeals from Sir Harold Wilson, then Prime Minister, and Mr. Ray Gunter, Minister of Labour, who urged the union to settle within the guidelines of the voluntary incomes policy the Government was trying to introduce.

The proposal was to let Mr. Wilson's Prices and Incomes Board "vet" any increase within fairly flexible guidelines. But the seamen refused.

After just after the sixth week of the strike, Sir Harold launched a bitter attack on the "tightly knit group of politi-

cally motivated men," who he said were trying to gain control of the union. This attack enabled moderates on the union's executive to agree a peace settlement—effectively a climb-down with little of the original claim achieved—and within a few days, on June 30, 1966, the strike was at an end.

The immediate consequence was felt the following month when Sir Harold was forced to introduce his "July measures" which included a total freeze on all wages and salaries.

It was inevitable that the 1966 strike would become a long-drawn-out affair. The seamen took strike action when they returned to a U.K. port and since most ships were at sea, the effects of the strike progressively worsened.

The effect on the public also took some time to materialise because of high stocks of most food, fuel and raw materials. But congestion in the ports made it difficult to get exports out on non-manned ships and this quickly affected industries such as motor.

However, less damage was done to actual industrial production during the 45-day strike than was feared, according to a CBI survey. Few firms were forced to cut production to any marked extent.

By stockpiling switching exports to aircraft and showing considerable ingenuity, they succeeded in

minimising the effects of the dispute. But the CBI survey found that the strike had lasted only short while longer than the shut-down in industry would have increased rapidly.

One of the most serious aspects of the strike was that nearly one in 10 of all exporters in the CBI survey believed the overseas business had been permanently damaged.

In the main, it turned out that it was the smaller firms, employing up to 200 people, who feared permanent damage to exports which were hardest hit were those from groups classed under the headings agricultural machinery, scientific instruments, motor vehicle drink and tobacco and some textiles.

The arithmetic of the final settlement to the dispute was as follows. It was agreed that productivity increases over the subsequent two years, but it did little to settle the seamen's grievances about poor working conditions—grievances which still remain.

In spite of the prophecies of doom at the beginning of the strike, everyday life was not seriously affected and the Government was not forced to use the Armed Forces to maintain transport.

The real cost of the strike was the Government's economic strategy which, in Sir Harold's words, was "blown off course".

Television 'distorts industrial news'

By Michael Thompson-Noel

BRITISH television news bulletins convey a distorted picture of industrial life in the U.K., according to a book, "Distorted News," by the Glasgow University Media Group, published today.

The authors say that their findings "suggest that cultural skewedness, sins of omission and editorialising are a more prevalent feature of television news broadcasting" than they would have hoped for.

The £35,000 study, funded by the Social Sciences Research Council, covered the first six months of 1975 when the group monitored, videotaped and analysed all news bulletins on all three TV channels.

According to the group: "Fifty per cent of all industrial stories in the bulletins concerned just three industries—transport and communication, public administration, and, overwhelmingly, vehicle building. The 2.1 per cent of Britain's workforce who make vehicles got 24.4 per cent of television general industrial coverage."

The authors claim that shipbuilding and engineering, with a high incidence of strikes, received negligible coverage, while mining, construction and chemicals received no coverage at all. "Of the 20 principal disputes (those singled out by the Government as being particularly significant for the economy), nine were never mentioned."

In particular, the group says, it studied the television coverage of the British Leyland engine tuners' strike at Cowley. "Here, the Prime Minister's speech on January 3 referring to manifestly avoidable stoppages caused by management and labour was transformed in 29 later references applying to the workforce alone."

BBC-1, says the group, made 24 references to Leyland's "strike problem," five to "management failings" and one to the company's investment pattern. On ITN there were 33 references to strikes, but no mention of management and none to investment.

The group says that for ostensibly competing services, the news coverage of the BBC and ITN showed an overwhelming similarity.

Bad News Glasgow University Media Group, Routledge and Kegan Paul, £5.95.

Continental company finance risks 'higher'

BY MICHAEL BLANDEN

THE RISK of company finance has increased in Europe in recent years, while further problems ahead include the difficulty of arranging bank-financed projects, financial assistance—both problems familiar in the U.K. context.

Looking ahead to future developments, Mr. Haugen indicated that a serious problem arose from the increasing fiscal risk resulting from the squeeze on corporate profitability.

Linked with the question of profitability were the issues of inflation and inflation, and as long as inflation accounting was accepted by neither the Government (for tax purposes) nor by shareholders (for dividends) adjustments to company figures were mainly cosmetic.

Finally, he argued that means—including putting in life into industrial bonds—had to be found to supply the funds needed for large-scale projects.

Close co-operation between financial institutions and industry was urged by the Bank of England's deputy governor yesterday.

Sir Jasper Hallow, who is opening the new £500,000 Pirelli factory at Tonbridge, Kent, said there was "a tendency" for finance and industry to be far apart.

"I think there should be closer and more intimate relationship. It is very important for us to keep as close as can to industry."

ing societies, some form of a chequeer subsidy would be made to the Government.

The DoE also pointed out the earmarking of loans for particular services such as housing would lead to pressure for similar treatment for funding other local authority services.

Mr. Serge Loure vice-chairman of the GLC Finance Board commented: "This is a disappointing news for the Council. We have to lend at 12 1/2 per cent compared to the 10 1/2 per cent building societies, which seem very up there."

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Government rejects GLC dearer home loans plan

BY MICHAEL CASSELL, BUILDING CORRESPONDENT

THE DEPARTMENT of the Environment has turned down a proposal by the Greater London Council for local authorities to lend money for home loans at the same interest rates charged by building societies.

Many local councils, and the GLC particularly, feel that their activities in the mortgage field have been seriously hampered by public expenditure cuts apart by their obligation to charge higher interest rates on the loans they provide.

As a result, the GLC suggested that Public Works Loan Board loans should be made to local authorities exclusively for lending to home buyers at a rate which would make direct competition with the societies possible.

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40% car imports—a year ago

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

THE ALARM caused by the flood of car imports into the U.K. last month was found to be belated yesterday after amended figures showed that imports, unbeknown to the British industry, achieved the 40 per cent penetration mark a year ago.

New and detailed figures from the Society of Motor Manufacturers and Traders show that imports were slightly higher in August, 1975 than they were this year—40.58 per cent, as against 40.44 per cent.

The confusion has been caused by the failure to record sales of Ford Ghia models last year as imports. At that time Ford

complained about the expense of isolating the figures for the Ghia, produced in Germany, and it is this year that cars like the Ghia, plus the Vauxhall Cavalier and the Chrysler Alpine have been identified as imports.

However, there has also been a retrospective analysis of last year's figures, and this has added virtually a percentage point to the total for last August, pushing it above this year's August figure, and therefore to the highest import penetration figure ever achieved.

Over 1976 so far overall, however, imports are still substantially higher than they were last year, largely due to vehicles brought in from the rest of Europe, including those sold by the British-based American multinational firms. On an eight-month basis imports have risen to 36 per cent, against 33.1 per

The people who tried to stop Concorde didn't think of this.

One of the biggest problems with Concorde was not how to get it going but how to stop it.

185 tons at 250 mph takes a lot of stopping.

Conventional multi-disc steel brakes are fine for conventional aircraft but on Concorde the problem was to design a brake that would withstand the tremendous heat generated and still keep within the size and weight limitations demanded by the aircraft's designers.

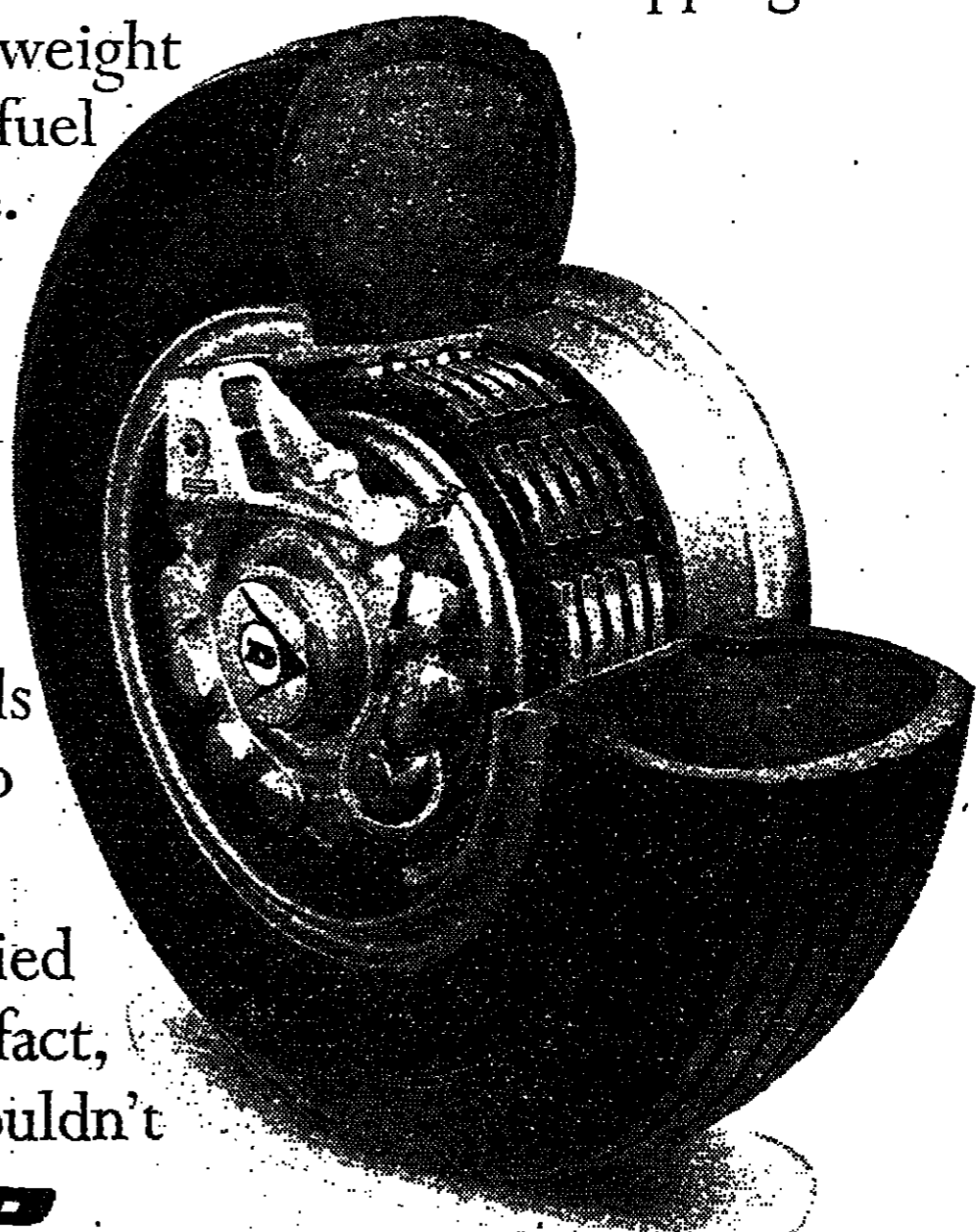
After 7 years of development, Dunlop was the only company to come up with the right answer—a carbon/carbon composite with twice the stopping power and half the weight of steel brakes. The weight saving (equivalent to 8 passengers) means more fuel can be carried, giving Concorde a greater range.

The new composite is so durable that the continuous testing to date has so far failed to burn out a single brake.

In addition to the brakes, Dunlop also produce most of the rubber seals used in Concorde. No small achievement when the seals have to withstand temperatures from -65°C to 150°C and pressures of 4,000 p.s.i.

Top specialist firms around the world tried to stop Concorde. Only Dunlop succeeded. In fact, if it wasn't for the Dunlop brake, Concorde wouldn't be in service today.

 **DUNLOP**



TUC BRIGHTON '76

Congress shows caution on wages

BY ALAN PIKE, LABOUR STAFF

CONGRESS yesterday completed a lengthy programme of business devoted largely to economic affairs in an atmosphere of having been upstaged on its big day.

In the conference hall, the only threat to the tranquillity of the Government-TUC pay policy came from the comparatively little known Furniture, Timber and Allied Trades Union, which wanted Congress to oppose the continuation of wage restraint "in any form" once Phase 2 expires next summer.

This was overwhelmingly rejected by delegates in favour of a long composite motion calling much more cautiously for the beginning of a planned return to free collective bargaining in 1977, subject to a list of priorities designed to avoid a "wages free-for-all".

While the debate was in progress, however, the executive of the National Union of Seamen was mounting an infinitely more serious threat to the pay policy than any words at Brighton with its decision to call a national strike. The implications of this will be considered by the

TUC General Council before to-day's session of Congress.

Mr. Len Murray, general secretary, opened the economic debate yesterday with a warning that voluntary collective bargaining could not be the "last stronghold of free enterprise," and reminded the trade union movement of its duty to bring justice to weaker groups in the community.

Concern on social issues emerged later in a debate on public expenditure cuts, which took place as part of the general discussion on the economy, with leaders of public sector unions anxious to stress that cuts were an issue of national importance and not merely one affecting the employment of their members.

By another almost unanimous majority, delegates pledged support to affiliated organisations fighting the cuts, and called upon the Government to consult unions where cuts are proposed.

Three other motions were endorsed by Congress as part of the economic debate. One describing the present level of unemployment as "totally unacceptable" and listing the TUC's

demands for economic measures, including extensions of public ownership, more funds for the National Enterprise Board and increased taxation for those in higher income brackets, moved forcefully by Mr. Hugh Scanlon, was adopted overwhelmingly.

The two others—one calling for a campaign to achieve the 35-hour week and the other for the urgent introduction of selective import controls—received unanimous support.

Congress also considered the topic of worker participation on which there are differences of opinion among unions about the best way of proceeding. Three of the four biggest unions, the Amalgamated Union of Engineering Workers, the General and Municipal Workers, and the Electricians, do not favour the formal TUC line, though they are not united on a single alternative.

Demonstrators, including members of the Right to Work campaign, again protested outside the conference hall yesterday, and Congress was briefly adjourned during the afternoon when three men began shouting from the public gallery.

Parity on policy Boards demand approved

BY IAN HARGREAVES, LABOUR STAFF

SUPPORT FOR the principle of parity representation for trade unionists on policy Boards of both private and public sector companies came from Congress yesterday.

Attempts by the Amalgamated Union of Engineering Workers to draw a distinction between public and private sectors, and by the General and Municipal Workers Union to widen the options on types of legally backed worker participation, were defeated.

A resolution from the Electrical and Plumbing Trades Union, apparently hostile to the General Council's commitment to 50-50 Boards, was also carried by a narrow majority after Mr. Len Murray, for the General Council,

had noted that its terms were unexceptionable.

Mr. Murray, moving the General Council's supplementary evidence to the Bullock committee of inquiry into industrial democracy in the private sector, outlined the principle of parity representation and said he expected legislation on the matter in the 1976-77 session of Parliament.

The general council was insisting that worker directors should be elected through their trade union and be accountable to their fellow members.

It was a question of integrating power and responsibility. "We are prepared to accept our share of responsibility for joint decisions—as we do in respect of

collective agreements now," he said. The unions would not, however, be forced to take seats on Boards.

Turning to the distinction drawn by the engineering workers between the public and private sectors, Mr. Murray said: "How can we say that workers in British Leyland (now publicly owned) should have the right to parity Board level representation but that Chrysler workers should not? Such distinctions will become more and more meaningless as public ownership is increasingly extended into profitable areas of manufacturing industry through the National Enterprise Board."

Mr. Dave Bowman, president of the National Union of Railwaysmen proposing a resolution backing the General Council, said it was time to move from theory to practice on worker directors. He was convinced that workers would be more, not less responsible, than the existing members of company Boards.

He acknowledged, however, that in multi-union sectors, such as the railways, there would be disagreement on how many seats each union should have. It was up to the TUC to resolve this kind of difficulty.

Mr. John Forrester, deputy general secretary of the technical and supervisory section of the AUEW, said that failure to see a distinction between Leyland and Chrysler was to express the belief that Chrysler should never be brought into public ownership.

To collaborate on Boards with shareholders and directors of private companies was "a diversion from the main purpose of the trade union movement," and was in effect to "administer capitalism." It was healthier in the private sector to concentrate on extending collective bargaining.

Mr. John Boyd, general secretary of the AUEW, argued that it was crucial to distinguish between workers in nationalised industries who were, in effect, shareholders in their own corporation and those who were merely employees of a profit-conscious private business. Trade unionists could not remain free and independent if they joined private company Boards.

The NUR pro-General Council resolution was adopted overwhelmingly in spite of votes against from AUEW, GMWU and EPTU delegates. The AUEW amendment was heavily defeated. The EPTU motion was carried by a small majority, but without a card vote.

Murray seeks 'orderly' return to collective bargaining

BY ALAN PIKE AND IAN HARGREAVES

VOLUNTARY COLLECTIVE bargaining cannot be the "last stronghold of free enterprise" with market forces the sole determinant," Mr. Len Murray, general secretary, told delegates at the opening of the economic debate.

In a significant section of his speech, he looked forward to next year when the TUC will be seeking the start of a planned return to free collective bargaining and said: "The trade union movement has historically accepted the need to supplement the working of collective bargaining by taxation, by social security, by subsidies, and by agreement on the priorities in helping particular groups within society."

"So, in talking of the restoration of voluntary collective bargaining, do not let us deny the broader interests of the movement in bringing justice to weaker groups in the community. The move next year towards a more flexible system must not be a lurch into instability but an orderly process. Otherwise, we shall cast away all that we have gained."

The last three years, said Mr. Murray, had seen a "remarkable and unprecedented venture" in democratic Government with the involvement of the trade union movement in shaping national



MR. LEN MURRAY
Appalled by unemployment figures.

economic and social policy. Turning to unemployment, he admitted: "Frankly we were appalled by the August unemployment figures. They were

much higher than we had expected. We knew it would take time to get the unemployment figures down. How much time was arguable, and we have been having an argument with the Government."

The Government appreciated that a reduction in unemployment was a central part of the social contract. There was no easy way of achieving this and it would certainly not come by the "ranting and vituperation of Trotskyist political boot-boys who represent no-one but themselves."

The only way was through economic expansion. But expansion based solely on consumer demand was the "primrose path" to expensive imports. To reduce unemployment to 3 per cent by 1979, total output must grow 5 per cent a year over the next three years and manufacturing output by 8 per cent.

If the TUC criticised the Government, it was within the framework of a shared determination to continue co-operation in solving the nation's economic problems. It was as wrong for the trade union movement to use the whitewash brush on its own record as the 'tar brush on the Government's. There were still strikes which profited nobody and should not take place.

Turning to the immediate

problem, Mr. Murray said inflation still cast a dark shadow and it could not be assumed there would be nothing to worry about after next July. "We must ensure that the restoration of the process of collective bargaining, which all of us want, does

not plunge us back into the whirlpool of wage-price inflation."

It would not be sensible to dogmatise now about the situation next year although the TUC would not go along with any policy that involved either reliance on, or fatalistic resignation to, high levels of unemployment.

Mr. Ben Rubner, of the furniture trades union, moved a motion asking Congress to "oppose the continuation of wage restraint in any form and affirm its belief in free collective bargaining."

Mr. Rubner, noting that Mr. Murray had urged Congress to reject the motion, said his union would support the pay policy for the present year but believed the return to free collective bargaining must come next August.

Photographs by
Terry Kirk



CONTRASTS IN MOOD: Mr. Hugh Scanlon, above, faces the wrath of "Right to Work" demonstrators outside the conference hall. Inside, a more relaxed atmosphere reflected by Mr. Jack Jones and Mr. Ron Hayward, Labour Party general secretary.



Social contract loyalty assurance

LORD ALLEN, chairman of the economic committee, proposed a resolution calling for an orderly return to free collective bargaining next August with attention to priorities such as the low-paid and differentials for skills, effort and responsibility.

He emphasised that the motion did not represent a retreat by the trade union movement from its social contract with the Government. The aim was to look ahead and sketch "certain broad lines of development within which bargainers will be able to operate."

It was important that no individual union should break ranks on the terms of the contract either this year or in the future.

Mr. Harry Urwin, the transport workers' deputy general secretary, said the sense of injustice felt by the seamen and some British Leyland workers over the inflexibility of the current pay policy was an indication that its terms must be made less rigid next year.

The deal must be a policy based on free consent, the alternative being a dictatorial

corporate State. "Collective bargaining, like democracy, may not necessarily be the most efficient system of operation, but it is clearly the least dangerous," he said.

Mr. Hugh Scanlon, the engineering workers' president, proposed a more vigorous attack on the "totally unacceptable" level of unemployment. He urged the provision of more resources for training.

He was not calling for the reversal or modification of the Government's economic strategy, simply the development of some new tactics. A vital item would involve control of the export of capital. Trade unionists could make their contribution by refusing large amounts of overtime and eliminating unnecessary disputes.

Mr. David Bassett, general secretary of the GMWU, said that TUC and Labour Party policy on unemployment and investment needed "more urgent application." The social contract had started to defeat inflation. It must now be used to defeat unemployment.

Mr. Moss Evans, national

organiser of the Transport and General Workers' Union, proposed a motion demanding moves to the 35-hour week as a priority measure associated with a reduction in overtime and an end to "moonlighting."

There was evidence, he said, that employers and employees responded to a reduction in the working week by increasing productivity and taking on more labour. He was not presenting

an idealistic dream or a long term goal but a plan for early action.

Seconding, Mr. Ken Gill, general secretary of TASS, the Amalgamated Union of Engineering Workers' white collar section, warned delegates: "Make no mistake. We will have to go on the offensive to win the 35-hour week. We will have to use industrial, as well as political action."

A long composite motion supported by seven public sector unions rejecting the concept of the economic situation was carried overwhelmingly.

Mr. Geoffrey Drain, general secretary of the National and Local Government Officers Association, moving the motion, said that the need to oppose the cuts was a wide matter of national interest and not restricted to those who worked in the public sector.

The greatest impact on unemployment, said in fact, be in private industry. In addition, this said Mr. Drain, the issue of expenditure was the cause of all affected the quality of services public authorities were able to supply. The validity of the social wage "and investment in industry."

British industry had to recover but "not on the backs of a public service which is already not fulfilling services." The Labour

movement must not turn aside from its early ideals about the social need for public expenditure.

Mr. Ken Thomas, general secretary of the Civil and Public Services Association, who seconded, told delegates: "Putting civil servants on the dole to join the one and a half million already on the dole would not have the fight skills to help regenerate industry. On the social aspect of the problem, he commented: "A great deal of public expenditure is a measure of a civilised and caring society."

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Warning on differentials

BY CHRISTIAN TYLER

MR. ROY GRANTHAM, general secretary of the clerical union APEX, called for a "Marshall Plan by the developed countries and OPEC" to use surplus capacity of men and machines to assist the agricultural, industrial and health needs of the Third World.

Mr. Gerry Eastwood, the patternmakers' general secretary, expressed the view that if differentials for skilled engineers were not sharply increased in the next stage of pay policy the drain of skilled men from manu-

facturing industry would continue unabated.

Mr. Bill McCall, general secretary of the newly TUC affiliated Institute of Professional Civil Servants, said there should be a special delegate conference to discuss the next stage of pay policy before TUC negotiators had reached final agreement with the Government. Pay policy would not be acceptable to grass roots trade unionists if their representatives had not been granted a say in its formulation.

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Jobless demand right to be heard

BY CHRISTIAN TYLER

RECORD UNEMPLOYMENT and the public expenditure squeeze yesterday provoked one of the biggest and noisiest demonstrations ever seen at the TUC's annual Congress.

An estimated 2,000 people gathered outside the Dome conference hall in Brighton, chanting their anger at the TUC's determination to continue its social contract alliance with the Government.

Police guarded all entrances to the hall, but three of the Trotskyist-led "Right to Work" marchers managed to secure tickets to the gallery. They jumped to their feet during the important debate on the economy and shouted for the right to be heard.

Mr. Cyril Plant, TUC president, suspended the debate for several minutes as the demonstrators were peacefully ejected and led away by Mr. Norman Willis, assistant general secretary of the TUC.

One of the demonstrators, Mr. Tommy Douras, an unemployed building worker from Liverpool, said afterwards: "We are the unemployed and we have the right to speak."

The TUC has refused the "Right to Work" campaign permission to send a representative into the hall.

Delegates leaving for lunch were greeted by a sea of banners and a barrage of slogans as they made their way down narrow aisles lined by policemen.

Most of the well-known TUC faces left a side door and the demonstration passed off without reported incident—although Mr. Hugh Scanlon, president of the Engineers' Union, was seen to be pursued by some of the demonstrators.

The demonstration was made up mainly of a rally by the National Union of Public Employees, whose general secretary, Mr. Alan Fisher, was noisily heckled when he delivered an impromptu speech defending TUC policy, and by the "Right to Work" campaign, whose 550 marchers, mainly teenagers, arrived from London to demonstrate outside the hall on Tuesday.

But, he said, "we have not trained our people enough. I don't doubt that they will have a natural feel for these matters, but that isn't enough."

He contrasted the £400,000 a year provided for trade union education by the British Government with the £18m. set aside for the same purpose by the Swedes. Britain's sum was equivalent to

Support pledged in fight against spending cuts

CONGRESS PROMISED to give full support to members of all affiliated unions fighting cuts in public expenditure.

A long composite motion supported by seven public sector unions rejecting the concept of the economic situation was carried overwhelmingly.

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EXERCISE 1.

Sideways stretching.

Feet placed comfortably apart. Breathe in and bring stretched arms up to the sides. Breathe out and slowly stretch over to one side.

Slide one hand down the leg as far as it will go. While the other stays in the air.

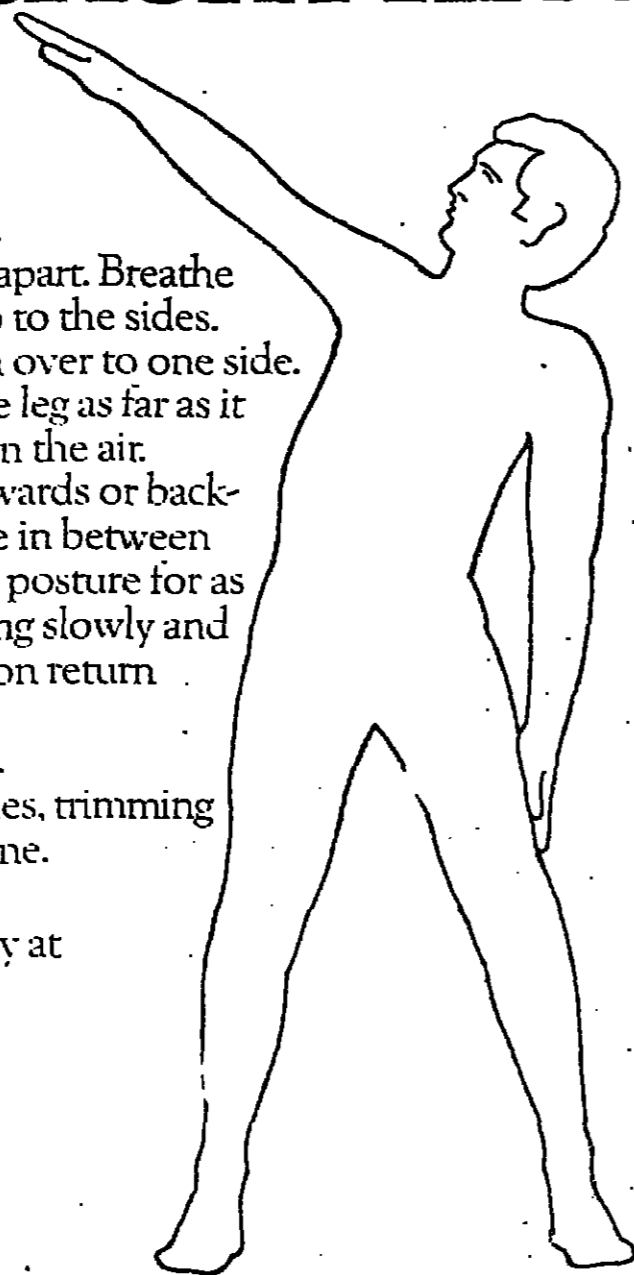
Take care not to lean forwards or backwards but imagine that you are in between two panes of glass. Stay in this posture for as long as is comfortable, breathing slowly and steadily. Gently on an inhalation return to upright position.

Repeat on the other side.

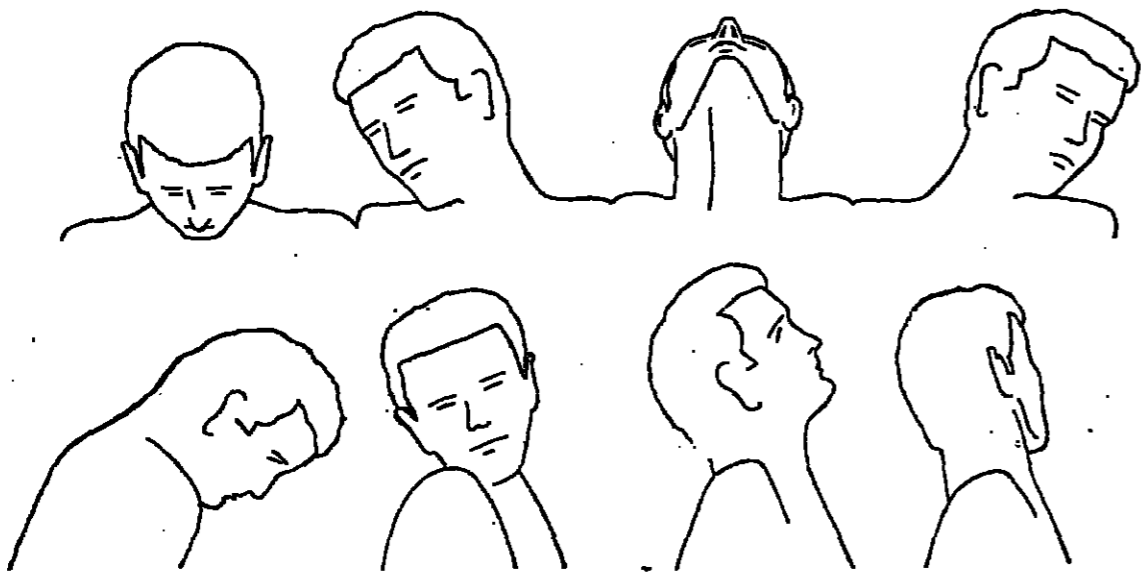
Stretches waistline muscles, trimming them. Brings suppleness to spine.

Strengthens legs.

Try it after a strenuous day at the office.



EXERCISE 2.



Circling the Head.

Loosens the tensions in the neck, back and shoulders.

Sitting in an easy cross-legged position, or on any chair or stool, ensure the freedom of movement of the back and head. Drop the head forward and completely relax the neck. Moving from the waist, using the whole upper part of the body, let the head roll in a circle. Do not push it around but rather let it loll. In doing this the head moves completely freely and eases one of the worst tension spots we have. Circle from three to five times continuously in one direction, then repeat the other way. Remember to keep the jaw relaxed; yawning, sighing and deep breathing will all help. This exercise is usually noisy and painful to start with, but done for a few minutes daily quickly becomes a very pleasant way to relax.

Try this at your desk in the office between meetings.

EXERCISE 3.



The Cobra.

Strengthens and straightens the back and spine. Excellent for stretching the neck, chest and stomach areas as well as thighs. Affects the Adrenal Glands and massages vital organs. Helps correct menstrual disorders and tones up the sex glands.

Lie flat on the stomach with the face downwards, putting the forehead on the floor. Place the hands palms down comfortably parallel with the shoulders. Lifting the head up and back as far as possible, inhale and, using the back muscles, pull up the shoulders and upper part of the body. Finally, using the hands, push up and back, keeping the pelvis on the floor to ensure proper positioning of the spine. Breathe out holding the posture for a couple of seconds then slowly lower, reversing the process and bringing the forehead to rest on the floor.

Repeat three times. Try this in the morning, it's probably more refreshing than a glass of orange.

EXERCISE 4.

Shoulder Stand.

The inverted postures are an extremely important part of the Yoga session. Their beneficial effects are numerous and widespread. They can help you regain youthfulness and delay wrinkles, clear and revitalise the complexion, improve eyesight, stimulate hair growth, cure insomnia by calming the nerves.

These effects are caused by reversing the pull of gravity which causes sagging of tissues and displacement of vital organs, and by putting pressure on the Thyroid and Para Thyroid glands, which are the master glands of the whole Endocrinal gland system that keeps us balanced mentally, emotionally and physically. Also by sending an extra supply of blood to the head and upper part of the body it cleanses and revitalises. It helps to stretch the spinal cord and feeds and massages the spinal nerves.

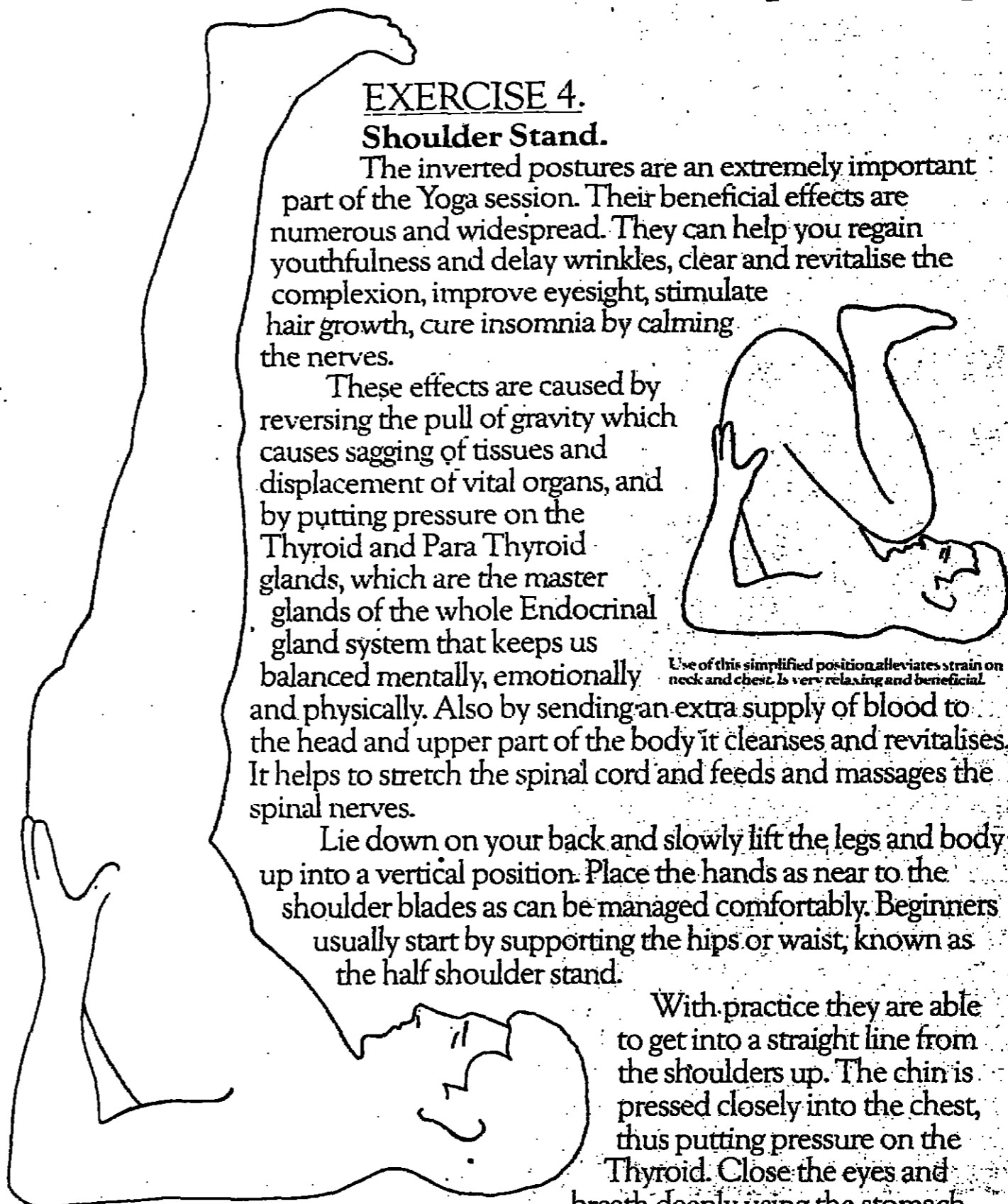
Lie down on your back and slowly lift the legs and body up into a vertical position. Place the hands as near to the shoulder blades as can be managed comfortably. Beginners usually start by supporting the hips or waist, known as the half shoulder stand.

With practice they are able to get into a straight line from the shoulders up. The chin is pressed closely into the chest, thus putting pressure on the Thyroid. Close the eyes and breathe deeply using the stomach.

Stay in this position only as long as comfortable. A lot of beginners find this a painful posture, and indeed, some cannot get into the half shoulder stand. Remember, do not push yourself into painful positions; with a little patience and a relaxed attitude of determination it soon becomes easy.

Try this in your hotel room after a long day on the road.

N.B. This exercise should not be attempted during a menstrual period or if you suffer from heart disease.



Use of this simplified position alleviates strain on neck and chest. Is very relaxing and beneficial.

EXERCISE 5.

Crossing the Atlantic.

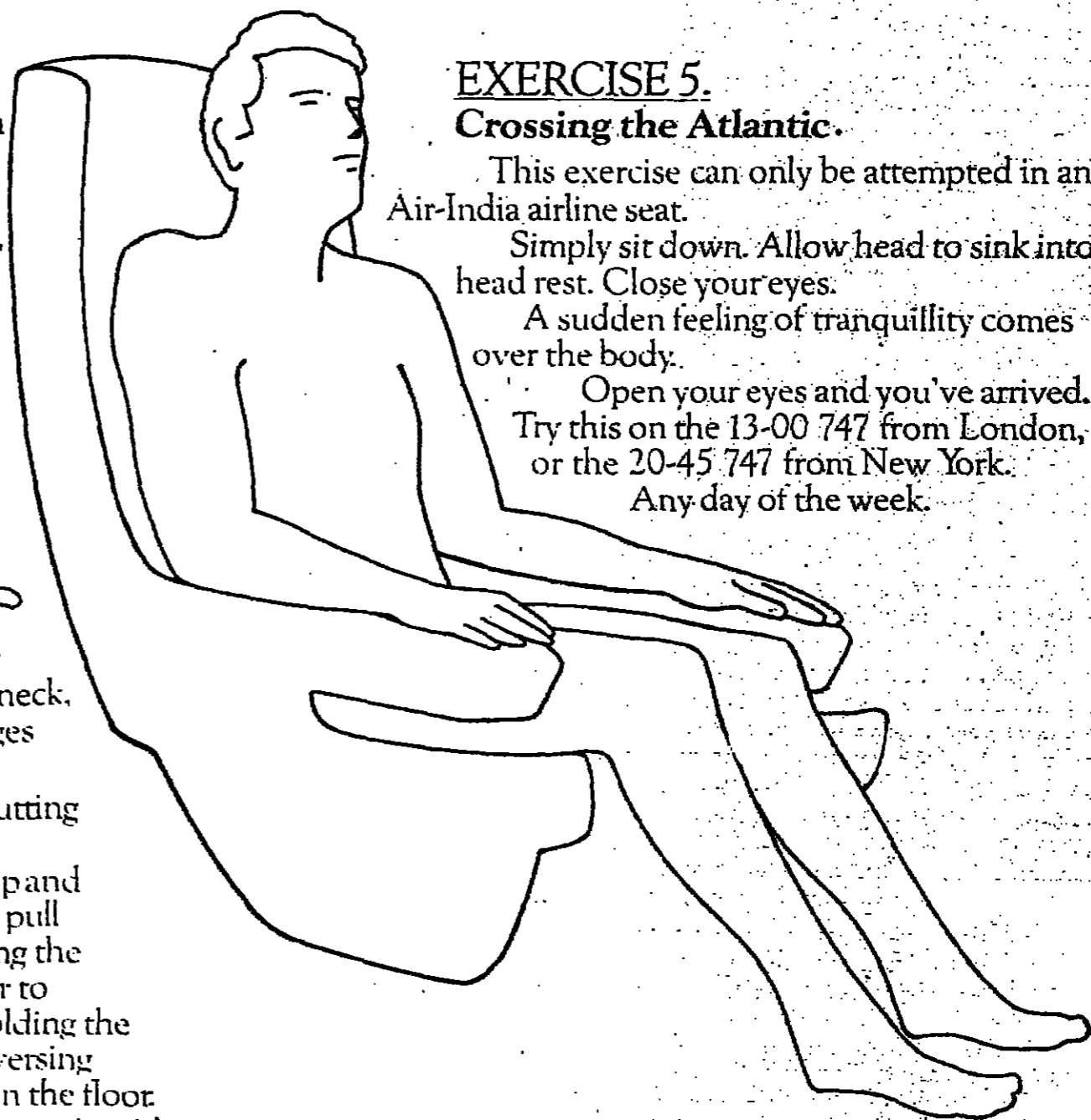
This exercise can only be attempted in an Air-India airline seat.

Simply sit down. Allow head to sink into head rest. Close your eyes.

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Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

AERIAL SURVEYING

Inspections carried out from aloft

INTENDED for the remote monitoring of operating parameters on pipelines, drilling rigs, oil production platforms, or any other industrial facilities, the world's first aerial monitoring array by Mapel.

This organisation, specialising in cathodic protection and a subsidiary of the William Press Group, developed the equipment from an original system to monitor basic data on cathodic protection systems for long distance production transport pipelines.

Now, any physical parameter that can be translated by a transducer into an electrical analogue can be handled. Thus, temperature, pressure, flow, etc., associated with any type of structure or remote site can be measured by aerial inspection as the only efficient method of obtaining data.

The Mapel aerial monitoring system depends on an FM two-way radio frequency data link operating in the 100/200 MHz band. Three basic units include a transponder fitted at the site, an airborne interrogator/recorder and a print-out.

The interrogator takes up the space of an executive briefcase and can go into a helicopter or light aircraft either in manual or automatic version. In the latter form it needs only to be switched on and off when the aircraft has come up to the transponder. The data is recorded on magnetic tape which, on the ground, can be printed out.

Range of the transponder is about 1 km, but can be raised if need be.

Further from Mapel at Tailors Road, Stotfold, Herts.

SAFETY Warns when breakdown is near

ALTHOUGH it is fairly widely appreciated that an increase in vibration level in a machine indicates trouble, probably in bearings, it is less frequently realised that by monitoring the levels and precalculating the onset of a critical condition can be quite accurately forecasted.

Servoguard 7500 is a complete system—monitoring equipment designed entirely in the U.K. by Servodyne Controls in which the user can select from a wide range of modules to build a system to meet his needs.

The transducer has been designed for permanent installation in an industrial environment and produces a high level of output voltage per unit of vibration to enable it to perform well in electrically noisy surroundings. Its signals can be shown on a variety of modules with analogue meters that plug into a mainframe; these can peak to peak, absolute amplitude or velocity, relative values of these, and several other scale variants including phase reference and bearing temperature.

An important feature of the equipment is that the current and voltage levels in it are low enough to prevent the creation of an incendiary spark in hazardous areas.

Apart from warning of impending failure the system can also be used to build up a complete preventative maintenance scheme. There are also possibilities of decreasing initial capital outlay (for example by keeping a closer watch on deliberately purchased less expensive machines), reducing the cost of spares and reducing noise levels.

Likely applications are in monitoring pumps, compressors, electric motors, fans, valves, etc.

MATERIALS Reinforced cement sheet move

PLANT FOR producing glass reinforced cement sheets is now being offered by Compositex of Grays, Essex, a company formed as a joint venture by Pilkington Brothers and Tunnel Holdings.

Proposed is a package deal involving supply of machinery, installation, commissioning and training of staff. Prospective purchasers of machines will be invited to enter into an agreement to buy know-how and pay royalties on sales of products.

The flat material produced by the latest machinery can be subsequently formed in the "green" state to provide profiled, curved and three-dimensional shapes and to include grooves, openings and fixings. The material can be used for earth retaining segments, piles for river and canal banks, gutters, interlocking tile panels for domestic roofing, walling sections for swimming pools and fire-resistant building boards.

In the manufacturing process, powders are mixed dry and then transferred to a high-speed wet mixer before being fed to a slurry pump. The cement-based slurry and chopped Cemfil alkali-resistant fibre are sprayed simultaneously on to a moving conveyor.

Water evaporation begins immediately from the newly formed panel which then passes under a device to remove surface imperfections. After automatic trimming and cutting, the panel is either transferred to a moulding area for post-forming or immediately undergoes a flat curing operation for a period of some 20 days.

Composite sandwich panels and products with special characteristics can also be produced. Output per annum per 8-hour shift is reckoned at a potential 245,000 square metres for 6mm thick sheet. Any thickness can be produced.

Cemfil is a trademark for the alkali-resistant glass fibre developed by Pilkington and manufactured by its subsidiary Fibreglass.

COMPUTERS

Terminal to solve many problems

TEXT EDITING terminal units with variable-speed pan-rolling and a large-character, glare-free display from DEC are for use with computerised editing and typesetting systems in the printing and publishing industries.

Digital's LSI-11 microcomputer—a programmable device that simplifies many editing procedures and permits internal storage of up to 40,000 characters, the equivalent to 180 newspaper column inches—is used in the terminals.

Characters or special signs are software-definable and can be created from the keyboard; useful in foreign language and technical setting.

The terminal's large screen, 19 inches measured diagonally, displays up to 24 lines of 80 characters, each character of 19-point size in 10 x 10 dot matrix. The pan-rolling feature moves copy up or down the screen in a smooth continuous flow, allowing text to be read easily by the user.

This, coupled with the size of the characters and the absence of glare, reduces eyestrain and operator fatigue to a minimum.

In addition to the standard typewriter keyboard, the VT 71/1 offers two colour-coded, 18-key keyboards for text editing and copy despatching plus 16 memory keys at the top of the standard keyboard that enable the user to specify certain editing functions.

Editing is further improved by a more powerful "search and replace" feature and a new command "UNDELETE" that allows the operator to restore copy deleted by mistake.

The basic VT 71/1, including the LSI-11 microcomputer with 12K words of memory, is priced at £4,950 (OEM). A full 25K memory version costs £6,950 (OEM).

Further from DEC at Digital House, Kings Road, Reading, Berks. Reading (0734) 883555.

PUBLICATIONS

Specialised journals from IEE

THE PUBLISHING activities of the professional institutions have always been regarded with unease by commercial technical journal publishers. In view of the large, tailor-made audiences available for advertising purposes.

The Institution of Electrical Engineers, for example, has nearly 70,000 members, almost all of whom are in appointments involving equipment and component specification of one kind or another.

Generally however—and perhaps fortunately for the technical publishing world—the institutions have never regarded their publishing operations as "bona fide" income earners. If

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they did, there seems a distinct possibility that membership subscriptions would benefit noticeably and that some cold draughts would blow in the commercial technical publishing world.

To a substantial extent, this week, for example, announcing the launch of a new series of specialist journals, IEE president R. J. Clayton said: "Maximum profit by attracting advertising and by layout which gives prominence to such advertisements cannot have first priority."

Although this is almost bound to be the case in any professional institution, it must be rather difficult for some members to understand why revenue-earning should not at least be given equal priority, particularly in inflationary times such as these.

The new journals have been started essentially to provide a medium for specialist articles, not too mathematically orientated, which young engineers of ability might otherwise be inclined to place elsewhere—notably in the Institute of Electrical and Electronic Engineers publications in the U.S. There are some 50 of these, and the U.K. body now seems to be following in the footsteps of its U.S. counterpart.

The first three journals will deal with electronic circuits and systems, solid state and electronic devices, and microwave/optical acoustics. Another 15 or so titles are likely to appear in due course.

Advertising will be taken at about £100 per page and in this way the institution expects the publications to break even with eventual circulations of about 3,000 for each title.

GC

TRANSPORT

Driver's aid will guide buses

WHILE THE initial intention is providing radiotelephones for installation in many of the London Transport Executive's bus fleet is to help combat the way of violence that has hit certain routes, the units will ultimately form part of a much more comprehensive data network.

According to Rediffon, from whom LTE has just ordered a further 600 sets to add to its initial successful trial installation of 205 sets, the Route master telephone equipment will later be used for routine transmission of data automatically.

This will include such information as position and, when full developed, provide better control of the fleet.

Rediffon Telecommunications Broomhill Road, Wandsworth SW18 7JL.

By agreement between the Financial Times and the BBC, information from The Technical Page is available for use by the Corporation's External Service as source material for its own "bona fide" income earners. If

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مكازم التحصيل

Entertainment Guide

HOME NEWS

Housing land prices drop 9% on year

By Michael Cassell

THE AVERAGE price for private housing land in England and Wales during the first six months of this year was about 9 per cent down on a year earlier, according to provisional figures from the Department of the Environment yesterday.

The figures, based on transactions involving sites of four or more plots which were reported to the valuation office of the Inland Revenue, show average prices to have been about £1,810 a plot. This, however, is around 4 per cent higher than in the second half of last year.

The calculations are based on only 843 transactions, fewer than normal, and should be treated cautiously. Sales of building materials by builders' merchants were just over 8 per cent down in July compared with a year before. In the 12 months to the end of July, there was an overall 0.6 per cent fall on the previous year.

Mr. R. Williams, director of the National Federation of Builders and Plumbers' Merchants, which compiled the figures, commented: "The building industry continues to founder around in the doldrums."

"We cannot see any real opportunities for improvement in the coming months, particularly as the recent public expenditure cutbacks have yet to be reflected in the monthly statistics."

Constituency cash helps to put Tories into surplus

By Philip Rawstorne

A SUBSTANTIAL improvement in the Conservative Party's finances was reported yesterday by Lord Chelmer, the joint party treasurer.

A vigorous pruning of party spending and the doubling of constituency contributions to Central Office funds turned a £1.23m deficit for the 1974-75 General Election year into a modest surplus of nearly £15,000 for 1975-76.

The constituencies' contribution of £574,219 was the second highest ever made to central funds and provided a third of the party's income.

Donations from industry and business totalled £1.1m—marginally below the £1.2m received the previous year.

Mr. William Clark, the party's deputy chairman, said that the economy, which had enabled party expenditure to be cut from £2.9m in 1974-75 to £1.8m, had been achieved without seriously impairing research and publicity services or large-scale staff redundancies.

Lord Thorneycroft, chairman, says in a foreword to the party's annual report that in spite of the spending curbs, the links between Central Office and the constituency organisations have been improved.

"During the year, the founda-

tions were laid to enable the party to be more responsive in the key areas of political challenge. Our involvement with young voters has increased, our activity in industrial affairs has sharpened and our local government machinery has been strengthened."

In spite of the upturn in its financial fortunes, however, the party would still have been in the red if it had not been for a State grant of £150,000 towards the provision of Parliamentary research and staff facilities for Mrs. Margaret Thatcher and the Shadow Cabinet.

Both Mr. Clark and Lord Chelmer, however, yesterday reasserted the party's opposition to the Houghton Committee's proposals for further allocations of taxpayers' money to political parties.

"It would be difficult to be the party of free enterprise if our funds were nationalised," commented Lord Chelmer.

The Conservatives, who at the end of the last financial year had total cash and reserves of £884,100—less than four months' expenditure—aim to increase their income by another £760,000 this year.

Rights Minister call rejected

By James McDonald

THE GOVERNMENT has rejected a Commons Select Committee call for a Minister of State for Equal Rights.

In a White Paper published yesterday replying to the report of the Select Committee on Race Relations and Immigration, the Committee's recommendation that the Home Office should retain the central responsibility for race relations policy and agree with the Home Secretary, as a senior member of the Cabinet.

But of a separate Minister for Equal Rights, it says: "It seems inappropriate to appoint a Min-

ister with the formal title of Minister of State for Equal Rights since this would merely duplicate the Home Secretary's responsibilities."

In accordance with the normal arrangements, the White Paper adds: "The Home Secretary devolves on his Ministers the day-to-day responsibility for the implementation of race relations and sex discrimination policies while retaining the final responsibility himself."

The White Paper gives a warning about minority communities concerning themselves exclusively with their own affairs.

It would be a great loss to society if the minorities did not

come to play an active part in the life of the community as a whole, but instead sought refuge from the difficulties they face."

The Government, it says, can encourage the participation of the minority communities. "It is highly desirable that both the Government and the new Commission for Racial Equality (which will replace the Race Relations Board and the Community Relations Commission) should encourage the growth of minority group organisations which can help the communities to meet their own needs."

The Organisation of Race Relations Administration, Cmd 6603. SO, 35p.

Vagrancy law changes urged

FINANCIAL TIMES REPORTER

NEW LAWS to deal with indecent exposure, indecent displays, accosting women in the street from cars, sleeping rough and persistent begging are recommended in the report of the working party on vagrancy and street offences published yesterday.

The report, accepted in principle by the Government, also recommends that provisions relating to fortune-telling, pedlars and other obsolete offences in the Vagrancy Acts should not be repealed.

The proposal against "kerb crawling" motorists would carry a maximum penalty of £100 and fine.

or three months' jail for a man "persistently accost a woman or women for sexual purposes."

The report turns down proposals to extend laws covering prostitution to men.

But it suggests increased fines for street prostitutes to £25 for a first offence, £100 for a second, and £100 and or three months in jail for three or more convictions.

Strengthening should not be regarded as a sexual offence. It should also be distinguished from the more serious charge of indecent exposure with a crawling" motorists would carry a maximum penalty of £100 and fine.

On pornography, the report accepts adult-only backrooms in bookshops—so long as people under 18 are not allowed in.

Proposals to replace outdated vagrancy laws would make it illegal to sleep rough "in circumstances such as to cause a nuisance in a public place or without the consent of the owner or occupier."

But the offence would exclude squatters—"Persons who had entered into settled occupation of a dwelling house."

Report of the Working Party on Vagrancy and Street Offences; SO, 66p.

WATER FOR INDUSTRY:

Act now and it need never be a problem again.

"We'll need at least two wet winters, and a damp summer"

That is the most optimistic forecast of the time needed to replenish the country's water reserves.

Even if it rains throughout the winter, it's going to take 18 months or more before the British water supply is back to normal.

Can anything be done?

Yes indeed. There is a lot industry can do in the way of self-help—by making far more efficient use of what water it's got.

But first industry's decision-makers are going to have to reconsider their attitudes to water—drastically.

A few home truths.

Water has become a scarce raw material—and an expensive one at that.

The cost to industry of water purchased has increased by an average of 67% over the last two years. In some areas, the increase is as high as 114%.

Then there's the cost of discharging waste water to sewers. This varies with the level of pollution, but in many cases substantial charges will now be enforced that previously were not levied.

So what action can your company take?

Talk to the experts—now.

Portals Water Treatment encompasses a number of companies specialising in a wide variety of techniques and products for the more efficient use of water.

The professional guidance we can offer applies to very small firms as much as to industry leaders. Most of the solutions are medium to long term, but planning should be implemented immediately.

Write today or call any of these Maidenhead (STD Code 0628) numbers now: 32977, 34346 or 34334.

To assist our Industrial Water Advisory Unit in responding quickly and positively to your problems, it will help greatly if you would supply as much of the following information as possible:

Where is your plant(s) located?

Do you treat water before and/or after use, and how?

What type of water supply are you on?
(Mains/Water Course/own Reservoir/Well/
Underground Bore Hole/etc.)

How much water is disposed of as a waste product?

How much water do you use?
(Volume per day or per week)

Post to:
The Industrial Water Advisory Unit,
Portals Water Treatment Limited,
Oldfield Lodge,
156 Bridge Road,
Maidenhead, BERKS. SL9 8DF.

It may save you time if you attach this coupon to your usual letterhead when sending it.

What do you use water for?
(Cooling/Spraying/Boiler Feed/Washing/
Manufacturing Drinks/etc.)

For what reasons?

And where to?

Name

Title

Company

Address

Telephone

Ext.

Portals Water Treatment
making water work for industry.

PORTALS WATER TREATMENT Companies include PERMUTIT-BOSY, PETERSON CANDY INTERNATIONAL, HOUSEMAN HEGRO, STELLA-METIA FILTERS, PORTACEL, ZEROLITE



GENERAL APPOINTMENTS

Chief Executive International commerce

A manager with drive, creative skills, negotiating ability and sound business sense, is required for the top post in a London company. Long established, the company belongs to a very successful, European owned, international commercial/trading group, with world-wide connections. The rapidly changing relationships and developments on the international scene, however, call for new approaches and a change in thinking by the English company. Successful diversification, by introducing profitable new markets, products and even activities, must, therefore, have first priority in the new Chief Executive's list of tasks. To assist in this there is a loyal team of professionals, experienced in the problems of commerce, transport and shipping. The man or woman required - late thirties/early forties - will have had a good schooling, with possibly a degree in engineering or business economics. His/her career, with emphasis on marketing, will show successful progress in positions of

growing responsibility in commerce or industry. Of importance will be the contribution made in such positions to successfully introduce change and to develop new products, services and markets. Ability to guide and enthuse a medium size team, as well as skill in negotiating with people at all levels, are essential. Experience abroad, and a good knowledge of international business, are expected. This is a job offering responsibility, challenge to introduce change, together with much scope for development and growth. A very attractive five figure salary will be negotiated.

(PA Personnel Services Ref: D6514/FT)

The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

PA Personnel Services

Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874



A member of PA International

International Merchant Banking

Our international banking activities are now expanding at such a rate that we are looking in all departments for executives with real ability and financial acumen.

The requirements cover the marketing and negotiation of Shipping Finance, Eurocurrency loans, Export Finance and Leasing operations.

We offer you the opportunity to use your skills to the full, as a member of a compact and lively team engaged in a stimulating range of enterprises.

The salary range is from £6,000 into five figures plus the usual fringe benefits.

In return we ask that you be in the 25-40 age range with suitable banking or specialised experience.

If this challenge interests you, take us up on it by writing with full details to:-

T. C. H. Macafee, Staff Manager,
Grindlay Brands Ltd.,
36, Fenchurch Street,
London EC3P 3AS

**Grindlay
Brands**

Financial Management for a famous name Deputy to the District Finance Officer

£6,356-£7,797

We seek a qualified accountant with commercial and industrial experience, to manage the accounting function and co-ordinate the whole of the Finance Department for a Health District in South East London that includes Guy's Hospital, London Bridge - one of the most famous teaching hospitals. In particular, he or she should have the kind of experience that will enable him/her to undertake forward planning and financial security, the introduction of new systems in the fields of financial scheduling, budgetary control, and initiate investigations into economy measures and cost effectiveness.

Equally important he/she will need the personality to communicate with Heads of Department, including eminent members of the medical profession.

He/she will be responsible for the District Finance Officer, deputising for him over the full range of duties, and participate in the overall financial management of the Health District.

The Deputy D.F.O. will have ample accountancy and clerical support in a Department of 70, handling all aspects of a revenue budget of £25m.

The District contains three hospitals and numerous health centres and clinics, serving a population of 172,000. Further details and an application form available from the District Personnel Officer, Guy's Hospital, St. Thomas Street, London SE1 9RT. Telephone 01-407 7600 Ext. 3469. Closing date 24th September, 1978.

Guy's
HEALTH DISTRICT

Managing Director (London)

A well-established Company in an internationally known expanding Group invites applications for a newly-created position of Managing Director.

Age 40-55. Good educational background. Definite recognised engineering qualifications with extensive practical commercial experience in construction or equipment industries. Substantial evidence of successful negotiating ability at senior level with nationalised industries, oil companies and international engineering contractors. Overseas experience an asset. Emphasis upon skilled administration.

Applicants must now be earning a basic minimum salary of £10,000. Excellent pension. Attractive prospects. Car. Relocation expenses. Ref. No. FT/MD/757857.

Apply in GUARANTEED CONFIDENCE stating Reference Number, Age, Telephone Number. Details of qualifications, experience, names and dates of positions held with salaries. Short-listed Applicants will be notified within fourteen days after receipt of application.

Dr. P. S. de Q. Cabot, Chairman
P. S. CABOT & CO. LTD.
Management Consultants
37-41 Bedford Row, London WC1R 4JH

Portfolio Manager UK Equities

This new appointment will be of interest to Portfolio Managers specializing in UK equities and currently earning about £10,000. The successful candidate will join a small well-established and highly professional team in the management of a group of funds with investments approaching £50m. There are good prospects of further advancement.

Candidates, ideally aged about 30, should have portfolio management experience in UK equities and, desirably, North American equities; earlier experience in investment research or stock exchange activities would be an advantage.

Salary is negotiable from £10,000 plus pension.

Please send relevant details - in confidence - to J. M. Ward ref. B.41286.

This appointment is open to men and women.

MSL World wide

Management Selection Limited
17 Stratton Street London W1X 6DB

Senior F/X Dealer

Prominent International Bank

Our Client is a substantial International Bank with an excellent reputation.

An experienced and accomplished F/X dealer is now required for its well established London branch.

Salary will be commensurate with experience and first-class fringe benefits will be provided.

Contact Norman Philpot
as adviser to the bank
on 01-405 3499

Lloyd Management

Rowan House, 50-51 High Holborn, London WC1V 5EP. Tel: 01-405 3499

MERCHANT BANKING CAREERS

We are a London based Merchant Bank with subsidiaries in North and South America and several European countries.

Our record is one of sustained and profitable growth. Our expansion plans call for several additions to our staff on top executive level, including (but not limited to):

1. Manager to take charge of U.K. banking operations. Experience in similar position at high level essential.
2. Responsible executive positions in the following departments:
—Syndication and placement of Eurocurrency Loan Instruments.
—Corporate Services (mergers, acquisitions, etc.).
—Project Promotion and Finance.
—Commercial Credits.
—Office Management.
—Group Auditing.

We are also inviting applications for our New York office from suitable executives, preferably with U.S. banking experience, who are prepared to relocate temporarily or permanently.

It is envisaged that future board appointments will be drawn substantially from eligible applicants who will be expected to have a sound educational and professional background, to be resourceful, entrepreneurial, hard-working and wholly loyal to the group effort. In return they will be offered a stimulating, intellectually and financially rewarding lifelong career with ample fringe benefits in addition to salary and bonus.

Our staff are aware of this advertisement.

Please send full C.V. and salary requirements to

Box A.5688, Financial Times, 10, Cannon Street, EC4P 4BY.

We are one of the most important companies for presswood in Europe. Our programme: obo-presswood—high densified synthetic resin presswood • obo-laminated wood—low densified modified and improved wood materials • obo-moulding wood—high densified synthetic resin presswood for compression molding pieces • obo-elements for school furniture—school table tops, seat shells and chair sets.

For the care of the contacts existing for more than 10 years and to extend the regular customers connections we are trying to find a productive commercial representation.

We presume that you will travel throughout Great Britain. Contacts in synthetic products and wood branch would be advantageous. Base of the representation should be London or surroundings.

Are you interested in our offer? In this case we should arrange a discussion either in England or in Germany in the near future.

**otto
bosse**

Otto Bosse, Kunstschreibwaren,
P.O. Box 289, D-3000 Stadthagen, Germany
Tel.: 05721/4044 Telex: 09-72254

A.D.R./Securities Clerk

Required by American Bank

Aged 24-30 years

previous banking experience essential, preferably including Securities work. Salary negotiable. Usual fringe benefits.

Write with full details to Personnel Dept.
36-38 Cornhill London EC3.

OLD ESTABLISHED COMMODITY BROKING HOUSE

requires

SENIOR TRADER

for Futures Markets. Ability to introduce business an asset.

Write Box A.5687, Financial Times,
10, Cannon Street, EC4P 4BY.

INTERNATIONAL BANK

seeks

Foreign Exchange Manager

for its recently opened London branch. Usual benefits associated with a post of this calibre.

Write Box A.5689, Financial Times,
10, Cannon Street, EC4P 4BY.

ENGINEERING SALES

Graduate with business studies, sales interest and working knowledge of spoken and written German, at ease at all social levels and seeking most direct route to the top should write, fully to Personnel Manager, Wellworthy Ltd., Lymington, Hants.

Write Box A.5687, Financial Times,
10, Cannon Street, EC4P 4BY.

APPOINTMENTS WANTED

RETIRED

MANAGING DIRECTOR

of multi-million pound Company with world wide contacts seeks periodic employment which would entail leading a technical mission or carrying out overseas investigation. Disturbance of 2-3 months envisaged. Languages, English and American. Tel. Wiltshire 5226

Rowe & Pitman, Hurst-Brown Members of The Stock Exchange

SENIOR ANALYST CHEMICALS AND PHARMACEUTICALS

Rowe & Pitman, Hurst-Brown wish to recruit an experienced analyst to develop the firm's research in the chemical and pharmaceutical sector. The position requires a relatively mature analyst, probably aged 25 to 35, who will be expected to have had at least three years experience in the sector.

Good salary with profit-sharing bonus. Non-contributory pension scheme and life assurance. Subsidised staff restaurant.

Applications to:-

P. N. Smith,
Staff Manager,
Rowe & Pitman, Hurst-Brown,
First Floor, City-Gate House,
39/45 Finsbury Square,
London EC2A 1JA.

R & P

Corporate Finance Opportunities in Merchant Banking

As a result of an increasing demand for our services, our corporate advisory division has two vacancies for recently qualified accountants or solicitors aged up to 27, preferably with City experience.

Apply in writing (with curriculum vitae) to:

The Personnel Manager,
County Bank Limited,
11 Old Broad Street, London EC2N 1BB.

County Bank

A member of the National Westminster Bank Group

Investment Manager

M & G need a Fund Manager to join their investment team. This appointment will carry considerable responsibility and discretion in an organisation involved in the management of over £450 million.

The successful applicant will probably be aged under 35 and have been concerned with the management of substantial funds for several years.

Candidates, male or female, should write to:

Mr. D. L. Tucker,
M & G Investment Management Limited,
Three Quays, Tower Hill, London, EC3R 6BQ

M & G

INTERNATIONAL BOND SALESMAN

UP TO £15,000

Our client is the London branch of a leading American stock-broking and investment banking house. In addition to these activities the London office is active in the international bond market and has an international economist producing research material for investors in the Eurobond market.

The successful candidate's main role will be marketing the international economist's Eurobond recommendations to institutions in London and Europe. He will be working closely both with the international economist and the Eurobond dealer. The ideal candidate is likely to be familiar with the Eurobond market in Europe. He will be articulate, self-confident, and have considerable persuasive powers. The successful candidate, apart from being paid a high fixed salary, will also receive an attractive bonus which will be linked to his individual performance.

Apply:
J. R. V. Coutts,
7 Wine Office Court,
London, EC4A 3BY.
01-353 1858.

**Career
plan**

TRAINEE CREDIT ANALYST

to work in the London Branch of First National Bank in Dallas. Candidates ideally should be between 21 and 25, with a degree or other higher educational qualification, to join a team of analysts who provide the support for our international lending area.

Salary negotiable and fringe benefits associated with banking employment.

Please contact Miss G. Bock,
FIRST NATIONAL BANK IN DALLAS,
60, Aldermanbury, London EC2V 7JT.
Telephone: 01-606 9111.

مكازم التحصيل

ACCOUNTANCY APPOINTMENTS

Financial Appraisal to £6,000

PROMOTION gives rise to a vacancy in a small section which reports to the Finance Director. The section's responsibilities include the appraisal of all new retail developments and other capital projects, co-ordination and presentation of the company's long-term financial plans, analysis of the profit contribution of product groups, Price Code matters, and short-term financial control. There is ample opportunity for initiative and for influencing decisions and policies through contact with directors and senior managers.

CANDIDATES, aged 25-28, should be qualified accountants, preferably with a degree, or business school graduates who have specialised in finance, in either case with at least two years' relevant experience. Conditions of employment are excellent and relocation assistance will be given in appropriate cases. Location, Central London.

WRITE with full curriculum vitae to J. W. Weyers, Company Recruitment Manager, J. Sainsbury Limited, Stamford House, Stamford Street, London SE1 9LL.

SAINSBURY'S

MANAGEMENT ACCOUNTANT

Tate & Lyle Limited
c. £7,000 + Bonus

Tate and Lyle is an International Company with a turnover in excess of £1,000 million, engaged in a very wide range of operations including sugar refining, sugar production, trading and handling commodities, shipping, transport and distribution. The Group Finance Department, located in the City, requires a qualified Accountant of high calibre. Candidates, aged around 35, must be able to demonstrate a progressive career in all fields of management accounting preferably with experience in an international group of companies. The successful applicant will be responsible for co-ordinating and participating in the design of systems; the provision of management information; analysis of Group profits; the evaluation of project, capital expenditure and acquisition proposals and the forecasting of the future financial position of the Group. The job-holder will report to the Group Management Accountant and will act as his deputy. Salary is negotiable circa £7,000 plus bonus, with non-contributory pension and generous fringe benefits. Please write or telephone for an application form and job description to:-



Mrs. J.M. Matthias, (MA)(FT)
Tate and Lyle Limited,
21 Mincing Lane,
London EC3R 7DY.
Tel. 01-626 6525.

London

c. £15,000

FINANCIAL DIRECTOR

Designate

Our client, four times winner of the Queen's Award for Industry, is a well known and successful consumer products company with an enviable export record particularly in North America.

Reporting to the Chairman, a Financial Director is now required to assist the board in determining longer term strategies and to take control of the entire finance, accounting and data processing functions.

Candidates aged from 38 must be Chartered Accountants, preferably graduates who have had professional experience with a leading firm and have since gained substantial commercial or industrial experience in an organisation with a reputation for high management standards. Experience of acquisitions would be useful.

Brief but comprehensive details of salary and career to date, which will be treated in confidence, should be sent to:

The Executive Selection Division - MF628.

Coopers & Lybrand Associates Ltd., Management Consultants,
Shelley House, Noble Street, London. EC2V 7DQ.

Financial Controller - Benn Brothers Ltd.

ACCOUNTANCY
APPOINTMENTS
are continued
today on the
following page

This important new position carries responsibility for the entire accounting function of the Group and for the staff in the parent company's accounts department. Reporting to the Finance Director the duties will include the implementation of Group computer plans, Group budgetary control, Price Commission work and investigations. There are exceptional opportunities for career growth.

Benn Brothers are a public company with a £6.5 million turnover. With a Head Office near the City they publish

specialist journals, directories and books (including Tolley publications).

Candidates (male or female) must be qualified accountants ideally between 30 and 40 years old. Their experience should include management accounting systems with many cost centres, credit control and familiarity with computer systems.

Applications, which will be treated in strict confidence, should give details of career and salary progression, age, education and qualification and refer to 560/B.

Dr. I. Bowers,
Deloitte, Haskins & Sells, Management Consultants,
34 Farringdon Street, London EC4A 4DL.

Financial Controller Distributive Industry Training Board Manchester

The Board serves an industry employing 2 million people and has an income in excess of £10m. (part Government funded.)

The Financial Controller provides guidance to the Board, helps to determine policy and is responsible for financial planning and budgetary control. There is close involvement with the Training Services Agency.

Candidates must be qualified accountants, with broad accounting and managerial experience in commerce, the profession or local government.

Salary within the bracket £6,500 to £8,000 with car and other benefits, including excellent pension. Assistance will be given with re-location expenses where appropriate.

The appointment is due to an approaching retirement and the vacancy is also being advertised internally.

Please write - in confidence - to R. M. Cooper ref. B. 60294.

This appointment is open to men and women.

MSL World wide

Management Selection Limited
17 Stratton Street London W1X 8DB

Management Accountant

minimum £7,500

A company in process manufacture with a turnover of £25 million holds market leadership in several of its product groups. Profits and volume continue to improve and considerable resources are available for expansion and acquisition. A Management Accountant is required in the organisation who will be the Finance Director's number two. His/her principal responsibilities will relate to long term planning, budgetary control and the preparation of periodic management information. Candidates aged roughly 30-35 should be ACA's or ACMA's with a few years post qualification experience in manufacturing industry. Their management

accounting work should have involved close liaison with EDP. Salary is negotiable upwards of £7,500 and the opportunities for career advancement are considerable. Location is on the west side of London.

(PA Personnel Services
Ref. AA34.5718/FT)

The identity of candidates will not be revealed to our clients without prior permission given during a confidential discussion. Please send brief career details, quoting reference number to the address below, or write for an application form, and advise us if you have recently made any other applications.

PA Personnel Services

Hyde Park House, 61a Knightsbridge, London SW1X 7LE. Tel: 01-233 0060 Telex: 27874



A member of PA International

Schlesingers have an exceptional opportunity for a

Qualified Accountant

working in the administration and accounting function of their investment management company. The rapid development of Schlesingers' investment organisation has given rise to this new position, based in Dorking, involving working with a small, friendly and industrious team. The work entails responsibility for all aspects of investment fund and management accounting for insurance funds, private client accounts and pensions funds. Applicants ideally should have relevant experience of a City institution or stockbroking firm. There will be an attractive remuneration package and excellent career prospects.

Applications, including a detailed curriculum vitae, should be sent in strict confidence to:
A. J. A. Grey, A.C.A., Finance Director,
Schlesinger Investment Management Services Limited,
19 Hanover Square, LONDON W.1.

Schlesingers

Financial Accountant

Kenya: circa £5,000 plus overseas benefits

Bookers Agricultural & Technical Services Limited manage overseas agro-industrial enterprises and provide a wide range of consultancy services for foreign governments, international agencies and commercial companies.

A major sugar estate in Kenya requires a qualified financial accountant to supervise and train a Kenyan accounting team preparing monthly and annual financial accounts. A willingness to transfer to another overseas assignment on completion of an eighteen-month tour is highly desirable.

Candidates should be qualified accountants,

within the age range 25 to 35 years, ideally with previous overseas commercial accountancy experience.

An attractive basic salary, negotiable according to experience; plus overseas and cost of living adjustments; clothing, disturbance, car and education allowances; family passages; medical scheme; life insurance and free housing will apply to this pensionable position.

Applicants should write, sending detailed curriculum vitae and availability for interview and employment to:



**BOOKER
McCONNELL**

E. B. Williams,
Bookers Agricultural & Technical Services Limited,
Bucklersbury House,
83 Cannon Street,
London: EC4N 8EJ.

Director Designate Finance and Administration

Financial controllers group chief accountants who have in-depth experience in the control and use of EDP facilities in addition to their normal accounting and financial expertise should be interested in this appointment with a leading City institution. Appointment to the board can be earned within two years. Assisted by well-qualified departmental heads, a major immediate responsibility is the direction and supervision of the transfer of EDP applications to a new computer.

Candidates, aged 35 to 45, must be qualified accountants (preferably Chartered) with relevant experience who have controlled a large staff.

Salary is negotiable about £15,000 plus car and pension. Location Essex.

Please write - in confidence - to J. M. Ward ref. B.41287.

This appointment is open to men and women.

MSL World wide

Management Selection Limited
17 Stratton Street London W1X 8DB

CHIEF ACCOUNTANT

City Emoluments to £9,000

Our client has recently been established to take overall responsibility for the investment of the surplus revenues of a Middle East state. To improve management control and the flow of financial information it has been decided to establish a London accounting centre.

The successful candidate will control the accounting centre and have close contact with senior management both in Europe and the Middle East. Initially he/she will be concerned with the implementation of effective financial controls and management reporting systems, and will then have an on-going responsibility to produce the necessary accounts and reports against established deadlines.

Candidates for this appointment will be qualified accountants with managerial experience either within commerce or with a large professional practice and knowledge of the operation of an investment fund and of foreign currency transactions would be advantageous. They should be aged between 35 and 45, be self disciplined and have the ability to communicate with management of all levels.

For more detailed information concerning this appointment and a personal history form please contact Nigel V. Smith, A.C.A. quoting reference 1652.

Douglas Lambias Associates Ltd.,
410 Strand, London WC2R 0NS.
Telephone: 01-836 9501
and 3 Coates Place, Edinburgh EH3 7AA.
Telephone: 031-226 7744.

DIA

COMMERCE & INDUSTRY

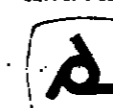
FINANCIAL CONTROLLER

Germany

c. DM75,000 p.a.

The International Paint Company who are one of the world's leading paint manufacturers, require a Financial Controller for their German operation based at Hamburg. Candidates should be suitably qualified, bi-lingual, accountants with good experience of the total accounting function including experience gained as Financial Controller or equivalent level in a manufacturing industry. Recent German working experience as well as U.K. experience is desirable.

Please write with full details including current salary to:



D. C. Powell, Group Personnel Manager,
THE INTERNATIONAL PAINT COMPANY
Henrietta House 9 Henrietta Place,
London W1A 1AD

ACCOUNTANCY APPOINTMENTS appear every THURSDAY

Advertisers. Space should be booked by mid-day Tuesday and copy submitted by 3 p.m. Wednesday. Ring Carol Johns on 01-248 8000, ext. 588.

NEWLY QUALIFIED INVESTMENT ACCOUNTANT

Circa £4500

+ Benefits E.C.A.

Exceptional opportunities are available for several accountants with an interest in investment accounting. Our client can offer very real career progression.

Six weeks holiday + travel concessions

DUKE CAREER

Please Telephone
01-283 3881

- quoting reference C.F.M.

Group Chief Accountant

£6,500-£8,500+car

South West

This is a new appointment resulting from the growth and development of an £18 million turnover metal processing company. Reporting to the Financial Director, there is responsibility for the central staff and the accounting and budgeting procedures. There is also a continuing need to develop and install systems for the companies in the group. A flexible and committed approach to

the work and to the further development of this group is expected. Candidates should be qualified accountants aged 30 to 40 who have held at least two commercial appointments. Applications, which will be treated in strict confidence, should contain relevant details of career and salary progression, age, education and qualifications.

Please write, quoting 566/B, to:

Dr. I. Bowers,
Deloitte, Haskins & Sells, Management Consultants,
34 Farringdon Street, London. EC4A 4DL.

ACCOUNTANCY APPOINTMENTS

Financial Controller

Central London

£7,000-£8,000

London office co-ordinates trading throughout Europe and North America. The level of business has grown rapidly and there is now a need to control the administrative and accounts activity. This will demand a high degree of flexibility as the responsibilities are wide and will range from contacts at high level to detailed analysis of the company's financial records and the control of

administration. We believe that this will suit a mature person probably qualified as an accountant who is looking for an interesting and fairly demanding appointment. Applications, which will be treated in strict confidence, should give details of career and salary progression, age, education and qualification, refer to 569/B and be sent to:

Dr. I. Bowers,
Deloitte, Haskins & Sells, Management Consultants,
34 Farringdon Street, London EC4P 4DL

KENT AREA HEALTH AUTHORITY

Area Treasurer Salary scale: £9,363 - £11,436

The present holder of this post, Mr. Basil Spencer, FCA, IPFA, FMA, will be retiring from the National Health Service in January 1977, and a successor is required for this important and challenging appointment. Applicants should be qualified accountants with previous experience at senior management level.

Kent, one of the largest Area Health Authorities in Great Britain, is a six-District Area, with a current revenue allocation of approximately £100 million (excluding Family Practitioner Committee) and a capital allocation of £17 million.

providing health care for a population of 1,445,000. There is a total staff of 27,000.

The Area Treasurer is the financial adviser to the Area and reports directly to it. The successful applicant will be a member of the Area's management team and will advise and co-ordinate the team on the financial aspects of its work. The Area Offices are at Preston Hall Hospital, Maidstone, on the outskirts of the town.

Application form quoting ref. FT, returnable by Monday, 4th October, and job description from: Area Personnel Officer, Kent Area Health Authority, Preston Hall Hospital, Maidstone, Kent ME20 7NN, Telephone 0622 79241, extension 28.

POST OFFICE TELECOMMUNICATIONS

Principal Accountant Designate

The Post Office requires a qualified accountant to take over responsibility for the direction and control of the Contracts Division Accounts Branch, which employs approximately 30 professionally qualified accountants. The work of the Branch is concerned primarily with the financial analysis and cost investigation of manufacturers' records in connection with a wide variety of supply and research and development contracts.

The job which is open to both men and women calls for a high standard of professional judgment, considerable maturity and the ability to negotiate with contractors at a senior level. It also requires a thorough understanding of complex costing systems in major manufacturing companies. The ideal candidate therefore is likely to have gained several years' relevant experience with a large professional or consultancy practice, to have held a senior accounting position in manufacturing industry and to have acquired a wide experience of standard costing systems.

The starting salary will be negotiable but probably in excess of £10,000 pa (including London weighting). There are a contributory pension scheme and attractive conditions of service.

Brief but comprehensive details of career and salary to date, which will be treated in confidence should be sent by 29 September 1976 to:

Miss S K Hawtrey
Telecommunications Personnel Department,
Room 410,
2-12 Gresham Street,
London EC2V 7AG.

The Post Office

Finance Director

Lancashire

c. £8,000 + car

Our client is an autonomous and profitable Engineering Company manufacturing capital equipment. The present substantial turnover is expected to increase considerably as the Company enters a new era of expansion in export markets.

The successful candidate, reporting to the Managing Director, will be expected to improve accounting disciplines and controls, whilst possessing the calibre and experience necessary to make a major contribution to the Company's future development and prosperity.

Applications are invited from qualified accountants with some years experience

in manufacturing industry. Ability to communicate and to work at Board level with the executive team is essential. Experience in data processing would be an advantage.

Attractive additional benefits are available. (Ref. W478371)

REPLIES will be forwarded direct, unopened and in confidence to the client unless addressed to our Security Manager listing companies to which they may not be sent. They should include comprehensive career details, not refer to previous correspondence with PA and quote the reference or the encl. slope.

PA Advertising

H/de Park House, 61a Knightsbridge, London SW1X 7LE. Tel: 01-235 6040 Telex: 27874



A member of P.A. Advertising Ltd.

Young Accountant for Business Analysis

Honeywell is a multi national company with a significant share of the UK computer market. Business Analysis within Finance, has a key role in both the preparation and interpretation of long and short-range plans and

In analysis of current operations. We are looking for a young, innovative Accountant to assume a dual responsibility for Evaluation of business being taken on by the company. Formulation of applications to the Price Commission. These roles will involve working closely with Marketing and Field Operations, as well as with the various accounting functions.

This position offers an excellent opportunity for an ambitious accountant who has qualified in the last 18 months to move into a sophisticated marketing-oriented environment. Please write with brief career details to: Liz McDermott, Senior Personnel Officer, Honeywell Information Systems Ltd., Great West Road, Brentford, Middlesex.



Honeywell

APPOINTMENTS

Executive changes at Wingate

Following its acquisition by Group's activities in the U.S. Mr. George Wimpey and Co., the following Board changes have been made at WINGATE INVESTMENT: Mr. R. Norris, Mr. C. B. Smith and Mr. D. R. L. Hankinson have been appointed directors.

Mr. E. S. Birk, who will remain a director, has resigned as chairman and will be succeeded by Mr. Norris. Mr. Smith has been appointed managing director to act jointly with Mr. E. A. Wingate.

Mr. David Joy is to retire from the BRITISH STEEL CORPORATION on September 30. He has been managing director of BSC's Sheffield (previously special steels) division since December 1972. Mr. Joy went to the United Steel companies in the early 1930s and later held a number of senior positions with the Group and with BSC, becoming director of what is now the Corporation's Scunthorpe division at an important stage of the anchor development. Mr. Joy's successor as managing director of the Sheffield division will be Mr. John Pennington, at present director of the BSC's forges, foundries and engineering profit centre.

Mr. Russell Graham, a director of STONE-PLATT INDUSTRIES, has been appointed managing director of the company. Mr. Graham was previously executive director of the Stone-Platt director responsible for co-ordination of all the

Mr. Dermot B. Graham has been appointed managing director of FAIRIS AND EXHIBITIONS. He was previously executive director of the company.

Mr. Bryan Quilter, managing director of Granada TV Rental,

HOME CONTRACTS

James Scott wins £7m. CEBG order

JAMES SCOTT ENGINEERING GROUP has gained a £7m. contract for cabling and electrical installations at the Central Electricity Generating Board's Littlebrook D power station. Work is scheduled to start in November.

FERRANTI DIGITAL SYSTEMS DIVISION has received an order worth £1m. from EMI Electronics for a large number of the airborne version of the FM1600 computer. This will be used in the Searchwater radar system, developed by EMI for the Ministry of Defence, which is to be installed in the new generation of HSA Nimrod maritime reconnaissance aircraft.

B AND I LINE (British and Irish Steam Packet Company) has been awarded a contract to transport over 30 miles of steel pipe for the Irish Gas Board for the land section of the Kinsale Head gas pipeline project. This will involve the weekly shipment of up to 60 trailer loads of pipes over a two-month period. On the company's daily Fleetwood/Dublin freight only Ro-Ro service, B and I Line will ship 418 trailer loads—a total of 33,000 metres of pipes—for the land line from Inch Beach to Cork. Shipments will start in October.

HYDROMARINE INTERNATIONAL, Inverm, Co. Galway, has been awarded a contract by Nitrogen Eireann Teo for the unconditioned telephone lines at main electrical standby generating equipment for its new bi-fertilizer factory at Marino Point, with suitable data terminals.

has been appointed a director of GRANADA GROUP.

Mr. J. P. Bingham will resign from the Board of the MERSEY DOCKS AND HARBOUR COMMISSION from October 1 due to pressure of other business commitments. Mr. J. G. Parkes, chairman of Unilever Merseyside Committee and immediate past chairman of Merseyside Chamber of Commerce and Industry, has been appointed to replace Mr. Bingham, who was recently elected chairman of the Stock Exchange (Northern Unit).

Mr. Philip Norton, vice-chairman of W. E. Norton Holdings, has been elected chairman of the FEDERATION OF WHOLESALE AND INDUSTRIAL DISTRIBUTORS. Mr. Norton, previously vice-president of the federation, is also chairman of the Association of European Machine Tool Merchants. Mr. P. Shields has made vice-chairman, and Mr. J. G. P. Bellamy, the federation's immediate past president, was appointed its first director.

Mr. James A. Green has been appointed to the Board of NATIONAL EMPLOYERS LI ASSURANCE COMPANY. Green has been the company actuary since 1960.

Mr. Geoffrey Parkes has joined the Board of WOODSTOCK PING COMPANY and four of its subsidiaries of Coastal States Corporation, of Houston, Texas.

Mr. Bruce C. Warren has been appointed general manager of THOMSON INTERNATIONAL PRESS CONSULTANCY, a subsidiary of Thomson Reuters Newspapers. He was formerly assistant managing director of Thames Valley Newspapers, which he has been seconded to since 1975.

Mr. I. N. Collins and Mr. G. Bowyer-Tags have entered into a partnership as NORMAN O LINS & CO., stockbrokers.

Mr. George T. McClements has been appointed general manager of INVER HOUSE DISTILLERS, a subsidiary of R. A. C. McClements, who has left the company. McClements was previously in U.K. Ireland and Scandinavia. Mr. Anderson, who was previously vice-president for Australia, succeeds Mr. John C. Follansbee, who

Mr. A. C. Barber has retired as a director of R. G. CUTBESS

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The Marketing Scene

Against all the High Street trends

A lot of a little at Budgen's

BY ELINOR GOODMAN, CONSUMER AFFAIRS CORRESPONDENT

At a time when almost every-thing else in the grocery trade is doing their best to lessen their dependence on the small High Street shop, it sounds a bit like putting a brave face on a bad situation for a food retailer to say that he wants to get out of supermarkets and concentrate on small to medium-sized outlets. Yet this is what the Booker chain, Budgen's, is doing in what it claims is part of a positive marketing strategy.

It has got rid of its two potential superstore sites in international stores, and over the next year is proposing to open six to eight shops of between 6,000 and 10,000 square feet—under a third the size of superstores which Tesco are planning to build in the future.

Budgen's is also swimming against the tide in a number of other important areas. Far from reducing the range of goods it carries and going all out on price, it is increasing its range by stocking such exotic delicacies as Hungarian Black cherries at over £1 a can and hearts of palm at £1.20 a can. It is also giving the individual store managers considerably more freedom over what they buy than before and actively encouraging them to take the occasional gamble.

In some ways Booker's grocery retail operation, which had a turnover last year of about £45m, and trading profits of around £1m, would seem to epitomise the kind of problems which are plaguing most of the multiple grocers, particularly those, like British American Tobacco and Cavenham, which came into the market relatively late by acquisition.

The chain, which is centred mainly in the South East of England, and is itself the result of a number of separate purchases made by Bookers over the years, has a preponderance of small shops situated either in the High Street or in neighbourhood centres.

Of its 159 shops, 95 have a trading area of under 2,000 square feet, 27 are between 2,000 and 4,000 square feet, and only 37 are above the 4,000 square foot mark. The biggest have a sales area of only about 10,000 square feet which, judged by the new openings of major grocery chains is relatively small.

Until recently, Budgen's had been sold—and the fact that many were in the kind of housing estates and smaller shopping centres which the big supermarket groups preferred to keep out of. It also had a slightly cosy, friendly image on the plus side, though against this it did not have a strong reputation for price.

Mr. Jerram, who had spent twelve years with the John Lewis food chain, Watrose, before joining Bookers, decided that there was no way Budgen could compete with the major multiples on equal terms. He decided to try and fill the gap the multiples were leaving behind as

be a success. Sales were up and gross margins improved as a result of increased sales of the higher margin lines. Gross margins on "basic" lines were kept at around their old level. Since supermarkets have been given the full conversion treatment, while most of the supermarkets have increased their stock assortment to a limited degree.

In most of those stores which have been fully converted to the new image, the range extension has concentrated on four main areas—soups, canned fruit and vegetables, and sauces. But at the same time local managers have been encouraged to build up their own specialities to suit local tastes. In North London, for example, they tend to sell more kosher lines while in the south a great emphasis has been put on Greek.

The result is an array of products which is quite astonishing to anyone attuned to the normal supermarket selection (who can afford fruit over £1 a tin in these hard times? Quite a lot of people in North London, according to Jerram.)

The approach is not, of course, new. Before the supermarket came along, it was what many family grocers were doing, and more recently Oakeshott's launched a similar operation though, unlike Oakeshott's, Budgen is not offering either credit or home delivery.

Nor is the idea of unlimited applications to only really a few family grocers. Jerram estimates that about 40 of his 60 super-markets could benefit from such a conversion. The rest will continue trading much as before for as long as they make money.

No such large stock assortment has been introduced into the 100 or so stores with sales areas of under 4,000 square feet. Some of the very small shops in middle class areas will be turned into "food specialists" which will sell only gourmet lines. The rest will be run as "mini-markets" and neighbourhood convenience stores.

At the moment the new approach has paid off both in higher sales and profits. The exact nature of this recovery will be spelled out in Bookers' results due later this month, though Budgen is still a relatively small part of the group's total operation.



Maurice Jerram buying Taco Shells at the East Barnet store

over as chairman of what are now Booker-Belmont Wholesale and Booker Belmont Retail in 1974, began experimenting with a new approach which it was hoped would exploit the group's existing strengths and take it out of the main stream of the price war.

Budgen's strengths, as Mr. Jerram saw it, were the location of its stores—mainly in the affluent South East on the loss-making chain in the South West

they explored the economies of scale. Instead of putting the emphasis on price, the stress at Budgen's was to be on choice.

The first experiment was carried out at Mill Hill in a shop of about 3,000 square feet. The stock assortment was increased by 20 per cent, with 160 new lines being added to the canned fruit and vegetable section alone, and far more ethnic lines stocked than before. At the same time fresh foods were improved, as were the delicatessen and off-licence sections.

The experiment was judged to be a success. Sales were up and gross margins improved as a result of increased sales of the higher margin lines. Gross margins on "basic" lines were kept at around their old level. Since supermarkets have been given the full conversion treatment, while most of the supermarkets have increased their stock assortment to a limited degree.

In most of those stores which have been fully converted to the new image, the range extension has concentrated on four main areas—soups, canned fruit and vegetables, and sauces. But at the same time local managers have been encouraged to build up their own specialities to suit local tastes. In North London, for example, they tend to sell more kosher lines while in the south a great emphasis has been put on Greek.

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AGENCIES AND THE CITY

The five survivors fight prejudice

BY ANTHONY THORNCROFT, MARKETING EDITOR

THIS week Kimpher, the public relations advertising agency, held its annual general meeting and explained to those few shareholders that were interested how the company recorded a net loss of £298,000 in 1975-76.

For some City observers Kimpher's experience just confirms their prejudices that advertising agencies, the service companies par excellence with no fixed assets, only fickle executives, should never seek a public quotation.

In fact the small band of agencies that are public—Kimpher, Collett Dickinson Pearce, Geers Gross, Brunnings, Saatchi and Saatchi-Compton, and OBM (an American company with a London office)—have a remarkably good record. It is very unlikely that in the predictable future, they will be joined by any more agencies (at the moment it is equally unlikely that any company, in any field, will risk the fiasco which has hit the recent crop of public quotations) but, on the whole, they are a fine advertisement for advertising.

Looked at individually Saatchi and Saatchi-Compton has managed to increase its profits in each of the past five years, and in its latest results, for the six months ending March 21, produced a profit of £460,000 on billings of £17m, plus (and for agencies billings aren't the same as turnover). Results for the second half year are likely to be even better, given the fact that the newly formed agency (it was just a year ago that the unquoted Saatchi and Saatchi got together with the quoted Compton's) has pushed up billings by over 50 per cent in the first six months of 1976.

Collett Dickinson Pearce is another very solid agency, doubling its profits in the last five years to £680,000, and likely to make even more in 1976. Geers Gross has been consistent, maintaining profits within the £150,000 and £230,000 band in all the last five years.

Brunnings, the oldest public company with a quote stretching back to 1961, is rather different from the rest in having 40 per cent of its income deriving from non-advertising areas, such as boat building, but only in 1975 Pemberton's, proved something of a disappointment as public agencies.

In addition there was at one time an inclination for agencies to go public so that their founders could reap a reward for their success—it does seem that apart from Kimpher, the gross their day-to-day activities. It yielded on their shares is up to double the market average of business because advertisers like

6.5 There is still prejudice the financial respectability, and the need to satisfy shareholders.

In practice the public agencies operate little differently from the large, non-quoted agencies. As Maurice Saatchi says "any and it is a pity that some situation where going public of the multinational American agencies, which still dominate U.K. advertising, do not have

approach means that one of the

little bit sharper on internal disciplines."

So the advertising agencies with City quotes would not want to be, and should not be, viewed differently from the advertising industry as a whole. Jibes about "the assets going down in the lift" and "advertising being the first budget reduced during a recession" are only half the truth. If anything the recession has forced increasingly well managed agencies to be even more efficient, and it has also divided good personnel from moving out.

The quoted agencies are something of a disparate group—Saatchi-Compton and CDP have much in common; Geers Gross is still around 75 per cent a television company, working for mainly packaged goods clients; Brunnings is slanted towards the Press and the provinces; while the Kimpher group has profitable agencies, like KMP, thriving, and others slowly and steadily picking up momentum.

It is hard to see any additions to the five—likely candidates French Gold Abbott and Kirkwood, Brownes, but chairman Bob Gross reckons it is a mistake to use your shares to acquire other companies because it weakens the main agency, the key profit centre. It was not haps one of KMP's mistakes to gather in too many satellite companies that could not be adequately managed from the centre, as Michael Mantion now admits, although he reckons it was the sudden eruption of the recession which pushed the acquisition policy off-course.

Collett Dickinson Pearce is another agency which started to use its extra cash for acquisitions, this time overseas, but has had second thoughts. Chairman John Pearce reckons that British agencies, lacking large international British advertisers, cannot compete with the Americans as multi-national agency networks. So the public quote has made CDP, always a conservatively run agency "that

workers by way of the populars—and the Morning Star.

So far £300,000 has been spent, all the initial advertising budget, but the National Water Council is planning more advertising, to at least this value. McCann-Erickson is the agency.

● HADDON'S-WPT is to promote a new fragrance for Elizabeth Arden. Called Chloé it is a top-of-the-market fragrance only available in 28 U.K. stores.

THE National Water Council is extending its "save water" campaign. To-night sees the start of television commercials, and on Friday Lord Watkinson and Len Murray join the fight. Lord Watkinson appealing to employers through the quality press, and Len Murray getting at the

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Thames in New York

BY ARTHUR SANDLES IN NEW YORK

NEW YORK, Sept. 8.

AN INDICATION of the nervousness of the American advertising industry towards consumer tastes came this week when the controversial Thames Television programme, The Naked Civil Servant, went out on New York's Channel 9 on Tuesday evening with not one U.S. domestic brand advertiser taking time.

American advertising support for the Thames take-over of Channel 9, WOR-TV, has been cautious, but companies like Eastern Airlines have bought a great deal of time. The Naked Civil Servant, the story of homosexual Clement Crisp, proved too much for them. Danone, Yoghurt and Sony were the only non-British advertisers prepared to take a chance.

All this is a remnant of the days of full-blooded sponsorship of American television. Consumers still tend to link the

content of the show with the advertisers and thus protest to manufacturers, not to the station.

"The major advertisers have been frightened to some extent by the content of our shows," says a spokesman for the station. "In this week has been a modest success. British advertisers have included Cunard, British Rail, EMI (a Thames shareholder), Harrods and the British Tourist Authority."

Early ratings indicate that WOR is doing a great deal better with Thames in command than it did on its own last year. Preliminary ratings show that about one in 15 New York homes were tuned in to the most popular Thames show.

The result is that Thames is getting some late money, and by the end of the week the major agencies should have come in with a further £25,000. All of which will help close the "long of thousands" gap between the reported \$500,000 cost of the Thames experiment and receipts so far.

Agencies lose out

THERE has been a lot of talk recently about independent media buying operations and creative consultancies taking business away from advertising agencies but very little factual information about the situation.

Now some research by Professor Bill Evans, who worked in London agencies for fourteen years and is now Lecturer in Professor of Marketing at Acadia University, Nova Scotia, provides some remarkable figures, suggesting that major advertisers are deserting the agencies in favour of consultants.

In 1969 Bill Evans questioned a representative sample of 66 companies about their advertising structures. Forty-eight were then using an advertising agency. He repeated the exercise five years later and discovered that only 33 were doing so, an astonishing change.

The main beneficiaries from this disillusionment with agencies were the creative consultancies, who increased their activity by 300 per cent, followed by a 150 per cent. expansion for in-house systems, and a 150 per cent. gain for external media buying.

Even the 33 companies still employing an advertising agency were dubious about the connection. Less than half thought the service they were getting was good while 40 per cent. were dissatisfied in particular with the creative work. There is also a bias against the commission system.

These startling facts are presented in more detail in the forthcoming issue of Admap. They seem to go against the advertising world as seen from London, and it could be that major advertisers were not included in the survey (the 66 packaged goods companies questioned had a total advertising spend of only £3.6m. in 1973).

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THURSDAY, SEPTEMBER 9, 1976

A strike at the TUC

THE STRIKE called by the National Union of Seamen from midnight on Saturday is a strike against the Trades Union Congress. It is the TUC that should be obliged to make the first effort to solve the economic and political problem posed by the threat from the seamen. It is, after all, the "social contract" that is being challenged as much as the Government's incomes policy.

The economic debate at the Congress in Brighton yesterday serves to underline this point. A number of strong criticisms of the Government were made, particularly over the level of unemployment, and a number of familiar "solutions" were offered, especially the imposition of import controls. There was a certain amount of sound-biting, and there were grave warnings from most speakers, including the more prominent among them, that there must be a return to free collective bargaining at the end of next summer.

In support

Yet in spite of all this the general tenor of the debate was in support of the Government's overall economic strategy, which is hardly surprising in view of the close association of the TUC in the design of that strategy. As Mr. Len Murray put it, the trades unions must either support the incomes policy agreement with the Government or "lurch back into the morass of confrontation." He did give the ritual warning that the Government must never take the TUC for granted, but pointed out that in June the Congress had renewed its pact with the Labour Government and that was not going to be changed now.

In these circumstances it is only to be expected that some groups of workers will strike put its own house into order. The experience of past major strikes teaches that advance preparation of the response is essential. What is at stake is the Government's economic strategy.

Italy's gold price grievance

THE FALL in the gold price has reached the stage at which the pinch is beginning to be felt not only by the major producers, like South Africa, but also by countries like France and Italy that hold a major portion of their reserves in gold. Last week Italy decided to repay a quarter of its \$2bn. loan from West Germany, rather than commit more gold in collateral to offset the drop in market prices. The Italians clearly feel that the IMF's planned series of 16 gold auctions is a key factor depressing the price or at least the only one they can influence, and yesterday it became known that the Italian authorities, apparently with French backing, have asked the Fund to hold the sales less frequently.

Next auction

Although there has been no official reaction from the Fund, it seems likely to go ahead with the next auction, the third, which is set for next Wednesday. Italy, meanwhile, will try to line up EEC support for its request when the Community's Monetary Committee meets in Copenhagen to-morrow. Privately, however, the Fund argues that its auctions are not the main cause of the recent slump in the gold price from a peak of almost \$200 an ounce at the beginning of last year. And it is true that other factors are at work—speculative demand has ebbed with the easing of inflation, and Russian sales may also have had an influence. But there can be little doubt that in the market's view the IMF auction, and particularly their regular pattern, are having a major psychological impact. Certainly the Fund will have to take extreme care in fixing its minimum price for Wednesday's auction.

What is clear is that the inherent ambiguities of the Fund's policy are becoming increasingly evident, as many sceptics predicted when the decision in principle to go ahead with the sales was taken in August last year—at a time when the price was around \$150 an ounce. The two major objectives, backed in varying

Prospects in a hard hit industry may be a little less bleak than they look. Ray Dafter reports.

North Sea platforms: hope on the horizon

DAVID ROGERSON and Andy Brown are entitled to ask about the reasons for the apparent erosion of Britain's youngest industry, the oil platform construction business. Both are employed at Redpath Dorman Long's construction yard at Methil, Fife. With 1,350 of their colleagues they face being made redundant next February because of an empty order book. The Graythorpe yard of Laing Offshore has already suffered this fate: most of its 1,800 workers were laid off a month ago following the delivery of a steel platform for Burnham's Thistle Field.

Mr. Rogerson and Mr. Brown had believed that the emerging offshore oil industry would provide them an assured future. Like so many of the RDL employees they once worked at Wessley Colliery, the site of the Methil yard. They left the National Coal Board because they were concerned about the future for Scottish pits.

"I came here because I thought I was doing the right thing. I left Wessley after 17 years when I saw the way pit closures were developing," Mr. Rogerson, aged 42, an electrician, said. After a further eight years working locally and in Edinburgh, he joined RDL, a subsidiary of the British Steel Corporation. The Methil yard was opened in 1972, having cost £14m to develop. "I was delighted to find work on my doorstep again. We were promised work for at least 20 years; that prophecy looks pretty sick after just four years."

No prospect of other jobs

He is now bracing himself for a drastic change in his life. His wife, Janet, also works at the RDL yard, as a part-time canteen assistant. They have two daughters, one of whom is at school. "From a basic wage of £80 a week I am facing the dole for the first time in my life. Like the rest of the men I am sad and depressed because there are no prospects of other jobs within miles of here."

Mr. Brown, a fitter, was one of the last men to be employed at the Wessley Colliery. As his job ended he saw the first earth-movers demolishing the old pit buildings to make way for the new oil technology. "Oil was to be our bright new future. Now all that is left is the blackness."

He recognised that some of the work force had become unsettled, envious of the big redundancy payments to many of the Graythorpe employees. "They want the golden brick here and a quick move to another site. But most of the workers here are settled. We appreciate the company view

that our only hope is to complete the existing orders on a half platform a year on just three or four structures being placed next year or by 1978, he added. The U.K. Offshore Operators' Association said yesterday that it would not disagree with this forecast. So the immediate prospects for those that are running out at east for those that are running out of work are bleak, but perhaps not as bleak as thought. Every

NORTH SEA: THE PRODUCTION SCHEDULE

Field	Yard	Platform	Installation Date	Production Start-up
ARGYLL	Transworld Rig		Installed Feb. 1975	Producing June 1975
AUK	Methil		Installed July 1974	Producing June 1976
BERYL	Stavanger		Installed July 1975	Producing August 1976
BRENT (Oil)	Stavanger		Installed August 1975	September 1976
BRENT (Oil)	Methil		Installed May 1976	—
BRENT (Oil)	Ardyne Point		Early 1977	—
BRENT (Oil)	Stavanger		Installed July 1976	—
BRENT (Gas)	—	—	—	Early/Mid 1979
CLAYMORE	Le Havre		Installed June 1976	April/May 1977
CORMORANT	Ardyne Point		May 1977	August/Sept. 1977
DUNLIN	Rotterdam		April/May 1977	August/Sept. 1977
FORTIES	Graythorpe		Installed July 1974	Producing Nov. 1975
FORTIES	Nigg		Installed August 1974	—
FORTIES	Graythorpe		Installed June 1975	—
FORTIES	Nigg		Installed June 1975	—
FRIGG	Cherbourg		Installed August 1975	October 1977
FRIGG	Andalnes (CDPI)		Installed Sept. 1975	—
FRIGG	Andalnes (TCP2)		April/May 1977	—
FRIGG	Ardyne Point (TP1)		Installed June 1976	—
FRIGG	Cherbourg (DP2)		Installed May 1976	—
FRIGG	Cherbourg (QPI)		Installed Sept. 1975	—
FRIGG	Stromstad (MCPI)		Installed June 1976	—
HEATHER	Ardersier		June/July 1977	Mid-1978
MONTROSE	Le Havre		Installed Sept. 1975	Producing July 1976
NINIAN	Loch Kishorn		July/August 1977	June/July 1978
NINIAN	Nigg		June 1977	—
PIPER	Ardersier		Installed June 1975	November 1976
STATFORD	Stavanger		April/May 1977	November 1978
THISTLE	Graythorpe		Installed August 1976	October 1977

Source: Wood MacKenzie

appear to be out of keeping with the mood in the industry as a whole, they do indicate that the ordering climate may be improving. According to at least two independent surveys of the offshore oil industry, the development of up to eight new fields may be authorised next year. This is in addition to the 14 fields declared commercial so far. Some operating groups have openly intimated their intentions.

For example, British Petroleum has said that it could announce a development programme for the Magnus Field in the last quarter of 1977. With the Forties Field now in production, a rate exceeding expectations and with the field development working coming to a climax, it is reasonable to assume that BP will stick to this schedule.

Shell/Esso have said that they will probably order the production platform for the extension of their Cormorant Field sometime next year although it is quite possible that the group will opt to develop the Tern Field first.

Two more finds

The Transworld Group is expected to be one of the first to announce a development programme. The appraisal well now being drilled on block 21/1 could, if successful, be used as a production well for the Buchan Field. Another early decision concerns Texaco's several disappointments in Tartan Field while Continental has confirmed that it is investigating the commercial rate of return of a "typical" field. Three other possibilities remain. For some time now, Total has placed with Howard Doris a letter of intent for a platform for the Alwyn Field on block 3/14. It might decide next year to proceed with a scheme for this find, or one on nearby block 3/9. Many in the offshore industry have also been hoping that Phillips would opt to develop the Maureen Field in 1977 although this prospect has receded in the light of two more recent encouraging Phillips finds—Thelma and Renee, both of which are currently being evaluated with further wells.

The third possibility concerns Pan Ocean's important Brae Field which could emerge as one of the biggest finds in the North Sea. Pan Ocean said a start formal evaluation of commercial prospects later this year.

These general assumptions disguise the complexity of decision-making. One of the reasons for the two-year hiatus in platform ordering is the rapid changes which are occurring in the offshore industry. Norwegian Contractors longer have the euphoric vi of the prospects offered by a North Sea oil venture.

Continuing changes

Platform fabricators are solely to blame for these delays. There have been late problems at some of the oil companies have treated many of the construction programmes by "hastening continuing design changes." "Laing Offshore and RDL that yard closure will not be a disaster for the industry. But they will not find it a to re-assemble a skilled team versed in new and changing technology, particularly in the light of so recent an experience as the Laing Offshore. But they will not find it a to re-assemble a skilled team versed in new and changing technology, particularly in the light of so recent an experience as the Laing Offshore. But they will not find it a to re-assemble a skilled team versed in new and changing technology, particularly in the light of so recent an experience as the Laing Offshore.

MEN AND MATTERS

Please can we have...

So Pakistan and India have found another excuse to argue, this time over who has claim to the Koh-i-Noor diamond. It must be reversed too: tax has been part of Britain's Crown Jewels since 1850. Now we have promised to consider the request for its return. Greece will be on about the Elgin Marbles again any time, and if this business really starts in earnest, will any museum groaning with Victorian acquisitions be safe?

I reckon the only answer is for Britain to start agitating for the return of all manner of important items that have slipped overseas. There are one or two problems of course. Being empire builders, we like Napoleon, had easy access to all manner of treasures. This country, on the other hand, hasn't been seriously invaded for 810 years and the Normans came to stay to pillage.

Before them, the Vikings hordes tended to concentrate on making nuisances of themselves once they got here rather than on taking much stuff back. I think the Romans found little apart from slaves to send home. The case of the Roman Catholic James II, who fled abroad in 1688, bears examination. Whatever happened to the 3,000 guineas he shipped to the Tuscan ambassador just before his hurried departure, or the Royal "equipage" which his Equerry came over to claim in 1689?

But we should concentrate on more recent times. First off, there are all those charming if somewhat stereotyped statues of Queen Victoria, now mostly disused having been impolitely wrenched down by ex-colonial powers. There must be stacks of regimental flags and a few polo mallets lying around in old army barracks that should be returned to their rightful

owners. And what about those British-type pillar boxes scattered around? There is, I am told, one in Haifa embossed with "VR" which really should be on the first ship back. The celebrated "brain drain" must be reversed too: tax has been part of Britain's Crown Jewels since 1850. Now we have promised to consider the request for its return. Greece will be on about the Elgin Marbles again any time, and if this business really starts in earnest, will any museum groaning with Victorian acquisitions be safe?

Sailing with Slater

The National Union of Seamen tends not to be a very outgoing organisation. Little is heard of its politics or leading personalities between disputes, but when these do crop up the circumstances tend to the dramatic. Yesterday, as the TUC met in Brighton, General Council member Jim Slater, as the seamen's general secretary, was announcing at the union's Clapham headquarters the decision to strike.

Ten years ago, the union was at the centre of an extraordinary furore when Prime Minister Harold Wilson talked of NUS affairs being dominated by a small group of politically-motivated men, a charge he later backed up in the Commons by talking of Communist influence on the union.



... and all who strike in here!

was in progress, has since become a member of the NUS executive (which now has 18 members against the 48 in 1966).

Norris was a close associate of Jack Dash, the dockworkers' greengrocer unofficial leader who these days leads a quieter life with a good bit of public poetry-reading.

Wilson also named two other (non-Communist) militants who he said exercised influence far beyond their numbers—Slater, then a few months away from his first full-time union appointment as South Shields general secretary, and Joe Kenney, a Liverpool dockman who is still on the national executive. It is perhaps worth recording that although Wilson produced evidence of meetings with people like Bert Ramelson, Communist Party industrial organiser, those he named were angry in their denials of improper influence.

ant general secretary in 1970, succeeding the late Bill Hogarth in the top job four years later. He ended 25 years of seagoing as a bosun, emerging as a force in union affairs in 1960 with some fiery speechmaking that showed his enduring hostility to shipowners. Any personal bitterness was heightened after he was struck off the seamen's register that year; he refused a shore job and spent 14 months on the dole.

Slater still manages to look the part of a Tyneside seaman—as president Cyril Plant opened the TUC conference earlier this week with soothing words about preserving the pay policy. Slater's elaborately tattooed arms were well in evidence elsewhere on the platform.

Coates' wish

Apart from the seamen's strike, pay, and pensions, what about the cost of dying? Many of the speeches at the TUC tend to the stodge, but at least the contribution of David Coates, of the National Union of Funeral Service Operatives, was unusual.

He complained that the death grant was altogether inadequate: "Inflation grips every where, but the grant has stuck at £30 for the last eight years. A realistic towards the actual cost, claimed Coates. Most funerals cost around £120 (£130 in the London area), and the cost of a grave plus other incidentals can put the total up to £250. cremation of course being less expensive. Britain does offer the cheapest service in Europe, Coates said, but the Government should offer more.

Add it to the list.

Meaty

Butcher's shop sign: "Buy mutton while stocks last. I'll never find another ewe."

Observer

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The Crown Agents



Services to the world

JOHN CUCKNEY, Senior Crown Agent since 1974, discusses the Crown Agents' work and future.

What are the Crown Agents? Perhaps I may begin by telling you what the Crown Agents have never been. Their beginning in 1833 is not a government department. They are not a separate legal entity, and they are not a formal constitution. The Crown Agents themselves are individuals, each of whom has been appointed by the Minister of the Crown to exercise functions on behalf of the Crown. Such appointments are an exercise of the prerogative of the Crown, and, as always, have to be approved by the House of Commons.

Why do countries use the Crown Agents? "I think we are unique in that I know no equivalent organisation which provides a service to the developing countries in the way we do, and with such impartiality and independence. Although our sphere of activities has changed, our principles remain the same as they always were—to provide a professional service that gives the best technical and financial advice, chooses the best men and procures the best goods that are available anywhere in the world for our Principals." Do you still work mainly for members of the Commonwealth? "Yes, about two-thirds of Principals are members of the Commonwealth." For whom do the Crown Agents work? "Quite categorically for their Principals and as agents we aim solely to meet their requirements. We have over 300 Principals from 103 countries."

How do you charge? "The Crown Agents are a public service and over their traditional work have always attempted to conduct their business so that their remuneration is not less than sufficient to provide adequate reserves and to meet all the appropriate expenses." Do you buy only British? "No. Where we buy will depend upon the instructions of our Principal and on price, quality, competitiveness generally and delivery dates, so that

from the Principal's point of view a 'best buy' is achieved. However, last year out of total purchases of £163m, approximately £110m, worth was purchased in the U.K."

Are you civil servants or business men? "Neither. We are technically Crown servants providing a public service facility to overseas governments and public corporations. We do not work for any private sector organisation. As the recent White Paper to which I have just referred outlines, it is the intention, subject to legislation, to turn the Crown Agents into a public corporation which will result in us at last having a clearly defined legal personality. I very much welcome this proposal as it will clarify the relationship between the Minister and Parliament and the Crown Agents. It will be a great improvement to have a clear distinction between, on the one hand, the Government's responsibility for broad oversight of the Crown Agents, and on the other hand, our own operational responsibility which I should like to emphasise once again will continue to be exercised without disturbing the very important confidential relationship between the Crown Agents and their overseas Principals."

Turning to finance, do you make a profit now? "Our results for 1975 will show that we have made a healthy operating surplus. The surplus is needed to ensure we can maintain and improve the quality of the service we provide." Are you backed by the Government? "Yes, in general terms we have always been 'backed' by the Government in that we are servants of the Crown subject to the ultimate control of Ministers and subject to their responsibility for our general

policy. More specifically we are 'backed' by the £85m Government grant made in December 1974, and by the assurances of support that the Government has given."

What was the reason for the Government grant? "As you know a Committee has been established under the Chairmanship of Judge Fay to look into the circumstances which led to us seeking financial support from the Government. I am sure a full answer to this question will be given in the report of this Committee. In the meantime, I think it inappropriate to go further than to refer to what was said in the White Paper on the general subject of our financial difficulties."

Are you viable in today's world? "Yes, on current operations and sticking to our traditional business. Not, however, if one takes into account the very considerable burdens which arise from our financial difficulties. These are now to be accounted for separately so that it will be easier to judge our performance in executing our traditional work unclouded by the cost of the financial difficulties, which all arose incidentally, in operations on 'own account' activities in an attempt to build up reserves."

Should you still do all the work you do? "Yes, and perhaps more. We are a high break-even point operation and need to maintain and increase our turnover. We must also adapt to meet the changing requirements of our Principals especially in offering more of our services in a more integrated and sophisticated manner. For instance, we are becoming more involved in feasibility studies, maybe acting in a managing agent capacity for a major contract, dealing with procurement, with certification and appraisal of progress and the drawing down of pay-

ments; handling the commissioning of plant, and looking after the all-important subject of recruiting the key people who then have got to operate the new project when it is fully developed. I think our future lies in linking some of our services and presenting them in a more co-ordinated manner."

And I think our future particularly lies in providing total assistance over the setting-up, running and progressing of major projects."

Are there any better experts to carry out your work? "In some specialist areas, yes, and we do indeed use and involve a large number of private sector consultants and advisers; but in the general range of our traditional services we are a highly expert public service organisation, meeting the requirements of Principals who wish to find a public sector solution to their problems. They are, of course, at liberty to go wherever they like, but if for various reasons they wish to use a public service organisation with a high standard of impartiality and integrity then we offer it."

Are you involved in arms sales? "Yes. Since 1833 we have been involved in purchasing to meet originally the requirements of colonial territories and subsequently of independent countries in the defence equipment field. Over the years these requirements have become much more elaborate and often now involve the provision of training and maintenance services and of supporting infrastructure."

Are you involved in the Aid programme?

"Yes. A great deal of our business is with the Third World. We have considerable experience of government methods of working and in some respects we are almost an extension of some of our Principal's government departments in London. We are often involved in the administration of UK Government Aid and also act in the role of 'borrower's representative' when loans are provided to Principals by multilateral Aid agencies such as the World Bank."

Do you have offices overseas? "Yes, we have overseas

representatives' offices in North America, South-East Asia, the Middle East, East Africa, West Africa and the Caribbean. We also have a subsidiary company in Iran and staff engaged on secondment or on operations in many countries apart from our overseas representatives."

What is the future for the Crown Agents?

"Within the framework outlined in the White Paper on our future I expect the Crown Agents to continue to develop their valuable, traditional services which they have for over a century provided to Principals. As I said earlier, these services will change as the demands of our Principals change. And adaptability is important."

We are involved with the fastest changing countries in the world—the developing countries—and the whole justification for our continued existence is that we offer a unique public service to the Third World."

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Building the future

The Crown Agents are involved in engineering projects from roads and pipelines to television and satellite stations. Their key contribution to the developing nations, SIMON PLUNKETT suggests, lies in the development of their management teams.

The Crown Agents Engineering Services Directorate is the fastest growing part of the organisation's participation in the Third World countries' developments. In recent years it has been involved in projects as diverse as installing a complete colour television service in Brunei, a new airport at Golden Rock in St. Kitts, a new road across St. Lucia, pipelines through Jordan, hydro-electric projects in Indonesia, the new capital of Belmopan in Belize and railway bridges in Iraq. At the present moment they are involved in projects in Africa, the Middle East, the Caribbean and the Far East.

The origins of the Engineering Services spring from the Crown Agents' main and original role—that of a supply and procurement agency to the Colonies from 1833. The development of procurement on a widening front had involved the supply of engineering equipment of all kinds to countries whose Public Works Departments were staffed by experienced expatriate engineers to cope with the ambitious development plans. One of them realised that in the Crown their main concerns were the Agents' there still remained a procurement of materials and highly technical purchasing and equipment and this led to the service organisation which could growth of the Crown Agents' offer engineering advice on highly specialised engineering every type of public works purchasing organisation in London without any commercial bias. This had the responsibility and on a public service basis, of ensuring that whatever was Engineering specialists within ordered by the Principal was the Crown Agents were increased.

CONTINUED ON NEXT PAGE

Where £110m of our exports went last year.

First, it must be said that it was just one organisation that placed the orders which resulted in £110m.

The Crown Agents.

The paradox is, although that total of £110m makes up a very large group of export orders for this country—certainly making us in effect one of Britain's more significant export agencies—there are some people unaware of what we do and who we deal with.

We are Crown servants whose office it is intended should become, subject to legislation, a Public Corporation. Our function is to serve overseas governments and State organisations—our Principals—in whatever way they need professional help.

The services we provide have ranged from supplying 26,000 kilos of medical stores to Bangladesh to asking for, and evaluating, tenders for new carriages for the Malaysian Railways; from supervising the construction of Golden Rock airport at St. Kitts to supplying transmission cables to Fiji; from administering £2 billion of British and International aid to various third-world countries to supervising the refit of the British Antarctic survey ships.

Since 1833, no request for our services has been too large or too small.

And who do we deal with? The following list of Principals who have used our services at one time or another will give you an idea.

GOVERNMENTS:

Abu Dhabi; Antigua; Bahamas; Bahrain; Bangladesh; Barbados; Belize; Bermuda; Botswana; British Antarctic Territory; Brunei; Cyprus; Dominica.

Dubai; Egypt; Ethiopia; Falkland Islands; Fiji; The Gambia; Ghana; Gibraltar; Gilbert Islands; Grenada; Guyana; Hong Kong; Indonesia; Jamaica; Jordan; Kenya; Lesotho; Malawi.

Malaysia; Federation of (Johore, Kedah, Kelantan, Melaka, Negri Sembilan, Pahang, Penang, Perlis, Sabah, Sarawak, Selangor, Trengganu).

Mauritius; Montserrat; Nepal;

New Hebrides—British Service; New Hebrides—Condominium.

Nigeria, Federal Government (Anambra State, Bauchi State, Bendel State, Benue State, Borno State, Cross River State, Gongola State, Imo State, Kaduna State, Kano State, Kwara State, Lagos State, Niger State, Ogun State, Ondo State, Oyo State, Plateau State, Rivers State, Sokoto State).

Oman; Pakistan; Papua New Guinea; St Christopher-Nevis-Anguilla; St Helena; St Lucia; St Vincent; Saudi Arabia; Seychelles; Sierra Leone; Singapore; Solomon Islands; Sri Lanka; Sudan; Swaziland; Tanzania; Thailand; Tonga; Trinidad and Tobago; Turks and Caicos Islands; Tuvalu; Uganda; United Arab Emirates; United Kingdom; United Republic of Cameroon; (West Province); Western Samoa; Yemen Arab Republic; Yemen, People's Democratic Republic of; Zambia; Zanzibar.

PORTS AND HARBOURS:

Solomon Islands Port Authority; East African Harbours Corporation; Gambia Ports Authority; Kelang Port Authority; Kuching Port Authority; Nigerian Ports Authority; Penang Port Commission; Port of Aden Authority; Sierra Leone Ports Authority; Singapore Ports Authority.

RAILWAYS AND TRANSPORT:

East African Railways Corporation; Indonesia State Railway; Jamaica Railway Corporation; Kowloon-Canton Railway.

Malayan Railway Administration; Nigerian Railway Corporation; Sabah State Railways; Sierra Leone Railway; Sri Lanka Railway; Sri Lanka Transport Board.

BANKS AND CURRENCY BOARDS:

Asian Development Bank; Bank of Indonesia; Bank Negara Malaysia; Bank of Botswana; Bank of Ghana; Bank of Guyana; Bank of Jamaica; Bank of Mauritius; Bank of Sierra Leone.

Bank of Tanzania; Bank of Uganda; Bank of Yemen; Bank of Zambia; Belize Currency Board; Bermuda Monetary Authority; Board of Commissioners of Currency; Singapore; Brunei Currency Board; Caribbean Development Bank.

Cayman Islands Currency Board; Central Bank of the Bahamas; Central Bank of Barbados; Central Bank of Cyprus; Central Bank of Gambia; Central Bank of Jordan; Central Bank of Kenya.

Central Bank of Nigeria; Central Bank of Trinidad and Tobago; East Caribbean Currency Authority; Fiji Central Monetary Authority; The Monetary Authority of Singapore; Reserve Bank of Malawi; United Arab Emirates Currency Board.

BROADCASTING, POSTS, COMMUNICATIONS AND ELECTRICITY: Bahamas Electricity Corporation; Bahrain Electricity Department; Solomon Islands Electricity Authority; Ceylon Electricity Board; Cyprus Broadcasting Corporation; Dubai Radio and Colour TV Service; East Africa Power and Lighting Co. Ltd.

East African Posts and Telecommunications Corporation; Electricity Supply Commission of Malawi; Fiji Electricity Authority; Fiji Posts and Telecommunications Department.

Guyana Telecommunications Corporation; Jordan Ministry of Posts and Telegraphs; Jordan Telecommunications Corporation; Mauritius Central Electricity Board; National Electricity Board of the States of Malaysia; National Electric Power Authority (Nigeria); Nigerian Broadcasting Corporation.

Public Corporation for Electric Power; People's Democratic Republic of the Yemen; Sabah Electricity Board.

Sarawak Electricity Supply Corporation; Sarawak Posts and Telecommunications; Sierra Leone Electricity Corporation; Singapore Telecommunications Authority; Swaziland Electricity Board.

Thailand Metropolitan Electricity Authority; Voice of Kenya; Western Nigeria Government Broadcasting Corporation; Zambia Electricity Supply Corporation Ltd; Zanzibar State Fuel and Power Corporation.

UNIVERSITIES AND SCHOOLS: Ahmadu Bello University; Benin University; Benin University Teaching Hospital.

Eastern Caribbean Farm Institute; Enugu Institute of Management and Technology; Fourah Bay College; Gulf Technical College, Bahrain; Hong Kong University; Ibadan University; Ibadan University College Hospital; Kaduna Polytechnic; Lagos University Teaching Hospital.

Makerere University, Kampala; Malawi University; Mara Institute of Technology Library; Mauritius University; Mombasa Polytechnic; Nigerian Civil Aviation Training Centre.

Njala University College; North East College of Arts and Sciences, Nigeria; Uganda Technical College; University of Botswana, Lesotho and Swaziland.

University of Calabar; University of Ife; University of Malaya; University of Nairobi; University of Nigeria; University of Singapore; University of South Pacific; University of West Indies; Zaria College of Arts, Science and Technology.

The Crown Agents also act for the United Nations and as authorised Agents for projects financed by the International Development Association, the International Bank for Reconstruction and Development (World Bank), the Asian Development Bank and the African Development Bank. In addition to acting in philatelic matters for many of the Governments listed, the Crown Agents also administer the Australian Stamp Bureau in London on behalf of the Australian Post Office.

All very impressive. But of what interest is this to the United Kingdom?

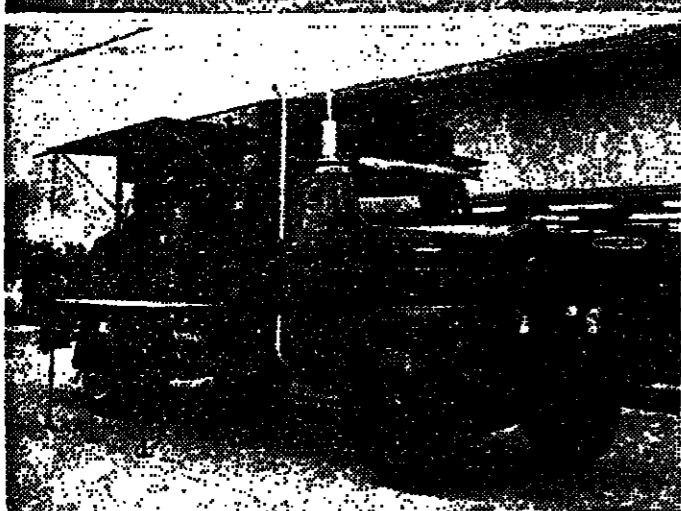
Because of orders we placed last year for our Principals, British Industry benefited by over £110m in exports. And that is not taking into account earnings from 'invisible' exports—banking, recruitment, inspection and project supervision.

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CROWN AGENTS ADVERTISEMENT 2

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Building the future

CONTINUED FROM PREVIOUS PAGE

being asked to provide advisory capacity as part of a procurement service. So it was in 1965 that the Engineering Services Department was set up to coordinate the activities of all Crown Agents' engineering services. This proved successful and eventually became an autonomous Directorate. In its ten years of separate existence Engineering Services has developed an established pattern of activities, the scope and value of which have increased year by year as the services offered have become known to more Principals, and the advantages of the Crown Agents' methods of operation have become more widely recognised.

Flexibility is the keynote to the Crown Agents' involvement in engineering projects. They act for their Principals in one of three ways as agents, consultants, or management teams. As agents they can act for governments, put out the project to tender, find the contractors, finalise the whole project and then handle the procurement and financial control. As consulting engineers they provide the plans, prepare the designs and documents, obtain and recommend on tenders, and supervise construction work with resident staff. They also prepare feasibility studies. As a management team they supply all the specialist skills necessary for a project and carry out the job with supervision of local labour.

Management teams

It is the management team approach which has been particularly welcomed by many newly independent countries who have come to call upon the Crown Agents' services. The advantages of the system are obviously particularly attractive to countries who are rich in labour but comparatively poor in capital. The savings in cost brought about by the public service approach, the lack of head office expenses, and the elimination of contractors' claims, together with the flexibility of the progress and the training of local engineers and government staff, have been eagerly welcomed in the last few years. Typical of current projects is the 353kms of highway from Mukalla on the coast of South Yemen to the Wadi Hadramaut which is being undertaken in a £15million project backed by the World Bank and Kuwaiti funds. Further work is being carried out in Belize on the northern highway from the Mexican border; and a major road construction project in St. Lucia will join the new airport with the old capital. Other road projects have been completed in Nigeria, Sierra Leone, The Gambia, Malawi, St. Vincent and Nevis. In Ethiopia the building of 400 kms of low-cost roads is under way in Wollo Province; and studies for further roads have been prepared for Grenada and Ghana. In Nigeria a Crown Agents' management team constructed the Zaria water scheme and there are other water projects in Kano and Kaduna.

The Crown Agents do not normally seek work where there are well established local or British consulting engineers and professional firms, or where there are adequate contracting organisations, as these will always be better placed than a wholly expatriate approach. However, there are now some 46 countries in receipt of aid from the newly established EDF situated in Brussels which will administer funds once distributed individually by the aid member countries of the EEC. This widens the scope and possible number of Principals but at the same time, it will also involve consulting engineers from France, Germany, and other members of the Common Market. The Crown Agents have, for some considerable time, been registered as consultants with the EDF.

In St. Lucia between the old capital of Castries and the new airport at Vieux Fort was a narrow track which bridged the islanders' main sources of revenue—bananas and tourists. The Crown Agents sent in a management team to produce, with local resources, a road more suitable for the life of modern St. Lucia. The management team plays a key part in the organisation's engineering services, making use of local skills, labour, and resources and injecting a team of experts to handle the job for the local ministry.

The Crown Agents' engineering services are currently involved in projects valued at over £200 million. One of their most successful recent projects was the first TV service for Brunel, in colour and completed in record time.



estimated at US\$15.000 million. Similarly, the British Government in a White Paper entitled "Change of Emphasis" issued in October 1975, realising the importance of raising the living standards of the rural poor, is he shifted from the large public works projects to rural development. It is significant that in both these papers, the need is foreseen to improve monitoring systems to identify projects. The White Paper freely admits that until the extra resources capable of project identification are available, the change of emphasis will be slow in coming about.

Rural development

The Crown Agents have, therefore, already set up a Rural Development group who will specialise in this aspect of Third World development. It will concentrate on irrigation, rural water supply, rural roads, micro-power installations and small community activities. It will be capable of identifying the problems, recommending solutions and then sending a management team who will work with local experts and labour.

It is the tailoring of services to the needs of developing countries that given the Crown Agents' rapid growth in this area of activities. Most of the engineers have spent much of their lives working overseas and are well versed in the problems of tropical engineering, labour and, perhaps most important of all, have an understanding of the political and domestic problems of people in emerging nations. In addition to their engineering abilities there is probably no other organisation in the world that can offer the breadth of help as the Crown Agents, taking on a project from the preparation of a feasibility study to its final completion, covering the design, procurement, the financial management, the training of local people, the selection of specialists, the inspection, finally the handing over of the project as an ongoing operation. Perhaps it is not surprising that today over thirty countries in the Third World have asked the Crown Agents to act on their major engineering projects.

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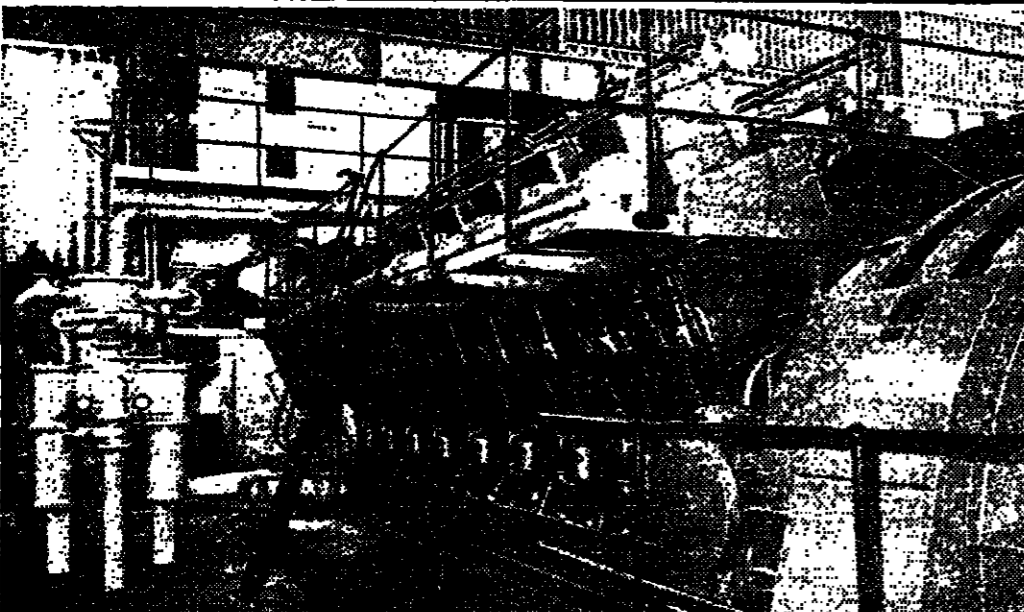
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Flexibility

The Project Services Division came into being to help Principals who, without adequate professional and technical staff in the field, felt the need for an organisation which could make use of their own labour force and construction equipment as an integral part of their own Public Works Department. This is particularly attractive in areas of high unemployment and where the availability of surplus labour may be a critical factor. The flexibility of a management contract, based on reimbursable costs and a management fee, lends itself more readily than a formal agreement with a contractor, where penal clauses are inherent in the contract and variations can be very costly. At the same time, members of the Principals' own organisations can be fully involved as part of the team, whilst local tradesmen are trained as plant operators, workshop technicians, and in other skilled operations. On completion of a project it is not uncommon for the Crown Agents to train and set up a maintenance team and to leave the nucleus of a construction team for future projects.

In addition, where the project is handled by a private sector consultant or a consortium of consulting firms to meet the wishes of the Principal or Aid donor, the Crown Agents can act as the Principal's agent dealing with administration of the project and the co-ordination of the professional firms involved. This is usually from the feasibility study through the design and tender stages to the payment of the final certificate.

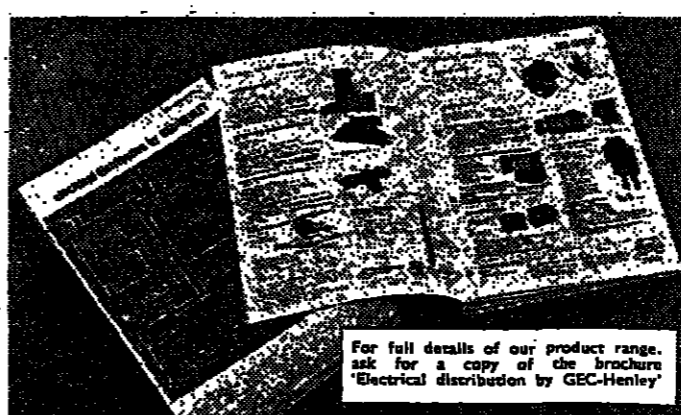
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CROWN AGENTS ADVERTISEMENT 3

'Simplicity with integrity'

Over 300 Principals have money managed by the Crown Agents. Charles Moncrieff explains the financial role they play.

For over a century the Crown Agents have managed funds both on a short and a long term basis. It began—and still exists—as a service to make procurement through the Crown Agents that much easier; but has now developed into an international financial and investment service which is not offered by any other public service. For Principals the Crown Agents are an independent and impartial window on to the London and international markets which offer the great range of financial services.

Like much of the Crown Agents' work, money management began many decades ago to fulfil a need from Principals. Money was sent to London to pay for the purchasing of supplies and held under full responsibility by the Crown Agents. In some cases there was a considerable delay between the arrival of the funds and the arrival of the goods in the country of destination. During this period governments naturally wanted the money used. The tradition grew up that a proportion would be kept in cash to meet each liability and the remainder would be put on short-term fixed deposit. Part was on deposit with banks or discount houses; part in Treasury Bills or in stocks of short date; and part in temporary advances to other Principals.

Then in 1929 funds were pooled into the Joint Consolidated Fund—as they still are—and for the first time the Crown

Agents were able to pay depositors interest also on their call money. Not surprisingly the Joint Consolidated Fund deposits rose dramatically. From £8m. in 1930, the Fund grew to £45m. in 1945 and £130m. by 1954. The bulk of the fund was invested in Treasury Bills, gilts, and Corporation mortgages and lent out to Principals in particular circumstances at favourable rates of interest. A working balance was kept at the Bank of England to meet all expenditures.

Changes which took place in the Sixties brought about developments in the financial services. The London market for sterling loans ceased to be available to overseas borrowers and newly independent countries sought an even wider banking and investment service. A sterling money market operation was established to manage the funds with the same degree of security but to obtain an increasing return. Short term deposits were accepted and largely channelled into the London interbank market.

Growth of foreign currencies

This proved to be a welcome development but after 1967 and the devaluation of sterling the Crown Agents began a new foreign currency service as Principals needed a diversification of their reserves into currencies other than sterling. During this period the Euro-currency market was emerging as a major force with its high degree of competitiveness and attractive rate structures. London had acquired pride of place among the financial market centres with the influx of foreign banks and it was clear

that the Crown Agents could, from their position in a key financial centre, provide Principals with accurate market information and instant dealing. The service has been refined and widened over the years and to-day a very large proportion of the money entrusted to the Crown Agents is held in currencies other than sterling.

In addition to the pure money management service, the Crown Agents have always accepted investment funds from Principals where the money has been allocated for a specific function or period of time. These investment accounts originally came about from surplus funds, reserve funds, sinking funds, pension funds, insurance funds. They have grown significantly over the years and now total some £700m. Originally these funds were always restricted to investment in fixed interest and gilt edged stocks, but later, in the second half of the Sixties, a proportion of equities was sanctioned for certain accounts. Even to-day over 80 per cent. of all stocks held are fixed interest securities.

The Investment Division now has some 60 people working for over 100 Principals. As a very substantial investor in bond markets the Crown Agents have a powerful position which results in their receiving a first-class broking service, attractive prices and sound financial and market intelligence.

The Crown Agents have always run their investment service on a conservative basis and have long experience in handling large sums of money invested all over the world. It usually has power to operate at its discretion within clear agreed guidelines to maximise the return. Its managers' skills in investment over the years have been maintained by a belief that investment is not only an art but also a science. For instance the Crown Agents were among the pioneers in anomaly gilt-edged switching, increasing the profitability of portfolios by taking advantage of temporary fluctuations in the price relationship between similarly dated stocks.

To carry out their task across the world's money markets the

investment managers use all the resources of modern technology. They have direct lines to the main computer, and are surrounded by the multichannel screens from the Stock Exchange and brokers, showing up to the minute prices. The Reuters Video Master is used to watch key overseas stocks; Datastream carry out the instant research; Reuters ticker tape brings in the instant news. Although the equity market is only used on special authorisation by a Principal for a specific fund, the equivalent of some £120 million available for equity investment puts the Crown Agents well into the category of a medium sized Unit Trust. In the overseas markets the Crown Agents invest mainly but not exclusively in the United States, Japan, Germany and Holland. As in the United Kingdom market, activity is restricted to major stocks except for certain growth sectors. In the Eurobond market the Crown Agents believe in a diversification of currencies, but exchange risks are carefully monitored and sales made if it is felt that the exchange risk outweighs the higher rate of interest that might be earned.

The Banking department performs a series of functions that helps Principals in their world wide activities. The first involves the provision of financial services in direct support of other Crown Agents' services. The equipment of a hospital calls for the procurement of a wide range of goods from major capital items to numerous small ones, calling for widely different payment arrangements running over a period of years; cash requirements have to be worked out and the availability of funds planned; protection against changes in exchange rates ensured; payments against inspection certificates, against shipping documents, against attainment of specified performances, all have to be dealt with. The Crown Agents relieve their Principals of these complicated administrative procedures.

In addition, quite exclusive of any procurement work, the Crown Agents make a further 30,000 payments a year for their Principals to a sum of approximately £75 million covering items and services that they require and need to pay for in a foreign country, thus saving data

for the approach to such

endless administration and accounting within the Principal's country. What the Crown Agents' financial facilities offer is, in the words of a Crown Agent, nearly a century ago, "Simplicity with integrity." Principals know that their money will be found a home with the highest current interest rates consistent with security that it will be managed in such a way that payments are made in the most economical currency anywhere in the world, that they have no need for a large accounting department simply to handle their normal overseas activities. Every month a simple statement shows the interest received and the payments made. Such a system with its wide discretionary powers could be open to abuse, but in 140 years not one government or Principal has ever made any suggestion that their money has not been handled with total probity. It is a proud boast to make and perhaps explains why, without high pressure salesmanship, without long contracts, and in the face of strong competition, the Crown Agents' financial services have continued to be used increasingly by more and more countries.

In the last ten years the Crown Agents have become increasingly involved in the managing of Aid finance. It has drawn upon its experience handling \$500m. of World Bank aid and administering over £2bn. of United Kingdom Aid to extend its financial services to cover advice on the sources of development aid. There are available in the world a bewilderingly large number of sources of capital for development ranging from the well-known international institutions such as the World Bank through philanthropic foundations to export credit and commercial sources. The selection of the best source or, more probably, the best combination of sources, requires a wide knowledge which the Crown Agents, through their contacts with the development institutions and international financial centres, can provide. The Crown Agents can help Principals in analysing development projects, in establishing the source of funds, in preparing the appropriate studies and through close contact across

bodies, in the preparation of specifications and international tenders, and in the implementation and final commissioning of the project.

Just as the Crown Agents' financial services began in order to make use of the money available for procurement; so they grew to handle large investment funds on a world basis and, now, are using the lessons learnt in the last decade to enter the comparatively new world of development finance. Development projects need money, technical skills, management supplies, equipment and people. The Crown Agents with their long and close contacts with developing nations for many decades can offer all this and more.

Growth of Principals' needs

Taking the financial and industrial services together the Crown Agents are currently handling more than \$1,400m. of foreign currencies both in the form of cash and securities and over £700m. in sterling for some 300 governments and other public authorities who are their Principals. There are over 800 different banking accounts and more than 500 investment portfolios. Few other financial institutions in England are of comparable size, and the Crown Agents are one of the largest houses dealing in fixed interest stock on an international scale.

The Crown Agents are not a bank or a merchant bank but they perform some of the functions of both. Their financial services are those that have grown from the needs and requests of hundreds of Principals over many decades to lubricate the process of procurement, to guarantee the security of current accounts, to maximise the investment of international funds, and to advise on the obtaining of development loans. Most of the Crown Agents' work is with the fastest changing nations in the world and as their needs change so does the work of the Crown Agents. What does not change is the relationship of trust on both sides that has grown through close contact across the years.

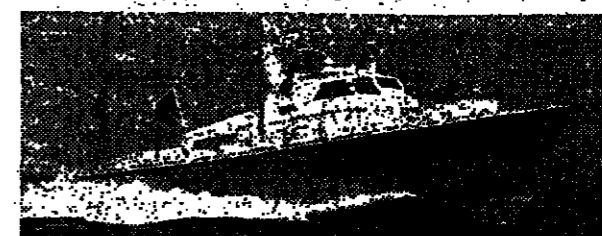


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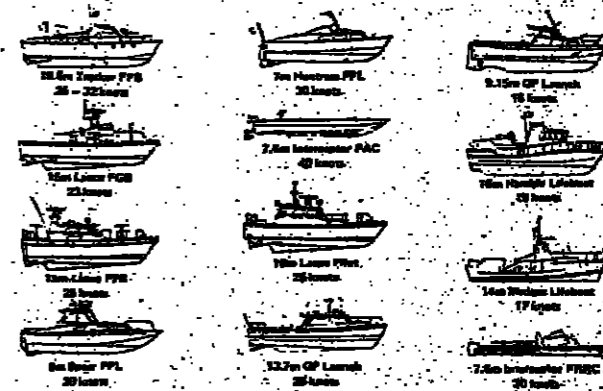


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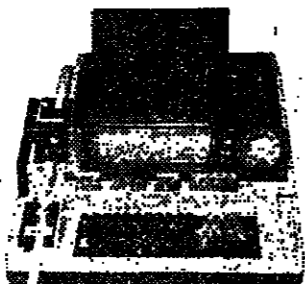
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CROWN AGENTS ADVERTISEMENT 4

Universal aunts across the globe

Procuring supplies has always been the core of the Crown Agents' operations. To-day they buy over £3 million of goods a week. **NICOLAS HAMPTON** reports.

There are few items which the CA have not, at one time or another, bought on behalf of Principals. From hand forks for the potato patches on Tristan da Cunha to crawler tractors for major building works, from postmen's bicycles to presidential yachts, from toothbrushes to the complete equipment for a hospital: the list is beyond concise description.

The old phrase "Universal Aunt" has some relevance perhaps in suggesting not only the variety of services and wealth of knowledge available but also the human element that is very much part of the Crown Agents' tradition.

The procurement of stores, materials, plant and equipment on an international basis can run the whole gamut from buying and posting a single unsophisticated item to the negotiation and execution of a contract for the provision of equipment for a modern engineering complex. Within this range, many skills and services may be called for, including expertise in design and specification, tendering and evaluation, inspection, shipment, insurance and, in certain cases, finance and credit.

All of these skills and services are offered by the Crown Agents, whose 140 years of work in these fields, coupled with exceptional knowledge of world markets and up-to-date experience of international commercial practice, satisfy the basic requirement in the expenditure of public money—the best buy at the lowest price by the most impartial and efficient means. With a staff of 200 specialist buyers, about half of whom are qualified engineers, the CA buying branches are concentrations of technical skill combined with experience and long and intimate knowledge of manufacturers' reliability and production capabilities.

What any government or public authority must demand for the expenditure of public

money is value for money, and the essence of this is the ability to obtain the lowest possible price and maximum discount. In realistic commercial terms competitive prices are often based on volume of business, combined with ease of handling and speed of payment, and in these respects the Crown Agents are recognised throughout the world as one of the foremost buyers who appreciate the importance of these factors. Nearly 50,000 orders with a total value of over £150 million have been placed in the past year. This volume of business not only commands the most competitive prices; it also generates respect and goodwill and helps towards prompt remedy should anything go wrong with any transaction.

Buying operations

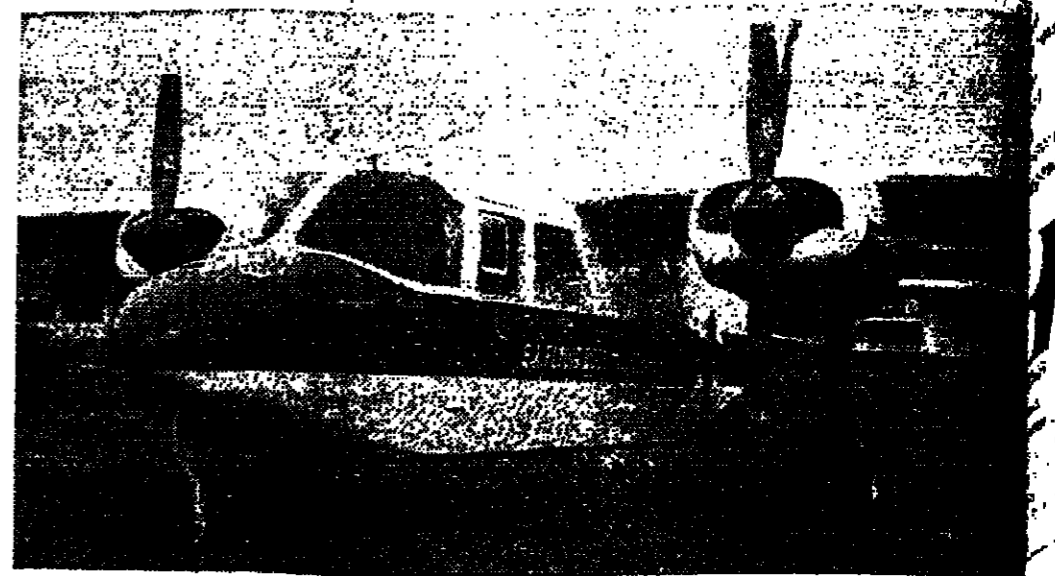
As far as price is concerned, two important features have to be emphasised. Firstly, the Crown Agents are not "middle-men." They act solely as agents of Principals and do not retain any discounts. Because of this they are completely free to conduct their buying operations in any part of the world solely on the merits of price, quality and delivery dates without prejudice, and without any incentive, financial or otherwise, to direct business to any country, manufacturer or branded product. In fact, some 70 per cent. of goods are bought in the U.K.; 17 per cent. from Europe; 9 per cent. from the Far East; 3 per cent. from North America; 2 per cent. from Australasia; and 1 per cent. from the rest of the world.

The emphasis is not, however, on cost alone. Knowledge of the product, current availability, degree of urgency, transport facilities and financial terms are all factors which the specialised buyer needs to consider before selecting the method of procurement which will not only result in the best buy but will satisfy all the special requirements of the Principal concerned. For instance, equipment which is suitable for operation in one area, which is desert, may not be suitable for use in another part of the same country, such as a coastal plain; and highly developed modifications may be needed in the Antarctic or a tropical jungle. Even when

equipment has been made suitable for use under such conditions, the preparation and packing for shipment may present another set of problems.

Where to buy, how to buy and even, on occasions, when to buy from overseas as advantageously and as speedily as possible, are questions which confront all users and consumers, whether they be engineers or supply officers, postmasters or harbourmasters, pharmacists or quartermasters, railway managers or educational administrators. This is particularly true of developing nations, seeking to build industry, to develop communications, to improve medical and social services, to expand trade and to establish security forces, often with limited resources of finance and manpower. While it is important for them to use local resources to the utmost, external purchase is often necessary to ensure that they get what they need and that they make best use of the finance and foreign exchange available.

The CA are world-wide buyers and do not confine purchases to any particular country of origin, unless, of course, the Principal requires it. Over the years, they have earned an international reputation for integrity, fair dealing and prompt payment which, coupled with the volume of procurement business, continues to command the most favourable terms from manufacturers throughout the world. To an increasing extent they are purchasing supplies from the countries of some Principals for which the Crown Agents' office is established and to which they are often given on the basic ques-



Transportation is the largest item in the Crown Agents' Supplies service which procures over £3 million of goods a week for its Principals. This aeroplane joined the East Africa flying doctor service. Medical supplies, general stores, livestock, textiles and spares make up the bulk of less technological supplies.

covered from London) these are in North America, Japan and Singapore. Market intelligence on an international basis is also supplemented by reports from inspection branches, which are daily responsible for arranging inspection of contracts placed in manufacturing areas throughout the world, and which at any one time have inspectors stationed at many points around the globe. This enables more detailed information to be collected on the capability of individual manufacturers, and is especially important as far as newly developing industrial areas are concerned.

Local offices

Apart from the offices in Washington, Tokyo and Singapore the CA also have representative offices in East Africa, West Africa, the Middle East, South East Asia, and the Caribbean. These offices maintain close contact with governments and other Principals within their areas, and are readily available to offer advice and assistance at all levels. As well as assisting in day-to-day business and explaining and advising on the many and varied services available from the Crown Agents' organisation, the local representative's advice is often given on the basic ques-

tions of where and how to buy as well as on more intricate matters such as the interpretation of the complex procedure involved in international loans and grants.

Value for money

These offices are also responsible for gathering information about industrial capacity in any country as a possible source of supply for the requirements of other Principals. Thus asbestos cement pipes and fittings have been supplied to East Africa from Singapore, footwear manufactured in Malaysia has been ordered for West Africa, and textiles from Hong Kong have been sent to police and military forces in many parts of the world.

The Crown Agents' services in buying form only a part of the overall supply function, within which responsibilities on the part of the Principal include all the closely related aspects of storekeeping, such as stock control, storage, stores planning, materials handling, stores organisation, packing and packaging, preservation of stocks, and all the functions associated with the receipt of goods until they are taken on charge, accounted for and finally issued. The adoption of modern techniques and sys-

tems can lead to more efficient supply and materials management and hence to the saving of time and money in a more efficient ordering and stock keeping of overseas requirements. To assist Principals in this respect, CA have a Supply and Materials Management Advisory Service, whose advisers on particular supply problems undertake detailed surveys and carry out full and managed reorganisation of supplies Department. Training courses are also run regularly in the United Kingdom for supply officers and "package" courses are available for personnel in Principals' own countries.

The Crown Agents now supply goods and materials to many Principals than ever before in their history, and, as the needs of their Principals become more sophisticated, so does the nature of their procurements. Power stations, port equipment, advanced medical equipment, drugs play a greater part today than ever. But whatever the nature of the procurement, the old Crown Agents' policy of applying—to buy the best quality goods for the best price and delivery and so obtain the value for the Principal's money—remains the same.

Rebirth of the railways

The Crown Agents still supply spares for engines they bought 50 years ago, as **HILARY BEAU-CHAMP** discovered. But many new locomotives and rolling stock are being bought as countries realise the vital part railways will play in their development plans.

The Crown Agents have been engaged in railway work for just over a century. The first locomotive ever supplied to a Principal was sent to British Guyana in 1864 for use on the Demerara railway. Three years later the railway opened in Sri Lanka—then Ceylon—and a century ago a progress report now in the Archives, notes that "at the present moment about 1,000 miles of railway are being provided by the Crown Agents with engine, rolling stock, permanent way materials, coal and everything else necessary for their equipment and maintenance." Over the next 20 years railway systems were built in Perak, East Africa, Hong Kong and North Borneo.

Such was the demand for help that in 1900 the Crown Agents appointed its first railways engineer. Four years later it added an inspection department and by 1910 a design department was at work producing original layouts as well as checking the constructors' plans. By the first World War the Crown Agents were concerned with nearly 20 railway systems. Since 1918 the Crown Agents have on average supplied a locomotive together with a carriage and 12 wagons to Principals every week of every year, representing some 3,000 locomotives, 3,500 carriages and 37,000 wagons.

The 1920s saw a tremendous surge in demand for locomotives, carriages, wagons and signalling equipment. The thirties saw a falling off with the world depression and in the forties production turned over mainly to weapons of war. However, immediately following cessation of hostilities there was an unprecedented demand for new rolling stock.

Between 1945 and 1954 the steam locomotive had its final flourish. Over 600 steam locomotives were supplied in this period, some of which are still in active service, but by the mid-fifties the diesel had taken over. In fact as early as 1925 Locomotives had produced the first main-line diesel, and in 1933 the Flying Hamburger was running from Berlin to Hamburg at an average of 77.5 mph. The steam locomotives could match that, and indeed beat it on occasions as the British Flying Scotsman showed, but hard economics signalled the end of the steam engine after it reached the peak of its development in the late thirties. Venerated by engineers and much loved by children of all ages the steam locomotives had become larger and more powerful until they reached a record weight of some 255 tons

for metre gauge track operation. However, dieselisation became the aim of all CA Principals, and from 1950 onwards the introduction of diesel motive power increased because of the advantages in better utilisation, lower fuel costs and the better performance which could be obtained. The introduction of diesel motive power was further accelerated as a result of increasing competition from road and air transport services. The railway Division supplied 272 diesel locos in the fifties; another 176 in the sixties; and another 200 in the first half of this decade. A further 100 are on order or under discussion now.

Railway equipment has become a major item of capital expenditure. The old steam engine, simple in its design and usually manufactured almost entirely at the contractor's workshops, was a low cost item. Purchases were invariably on cash terms and the design parameters complexity of tenders for railways were precisely laid down. The way rolling stock have gradually

overall time from issue of tenders to award of contract was comparatively short and manufacturers could prepare their estimates with more certainty. Equally only a few countries were in this market as procurers, and tenders were usually by invitation. Then more countries became interested in exporting railway equipment, and international tendering became normal practice for locomotives and rolling stock. Even the initial cost of a diesel locomotive was about three times that of a steam locomotive and the decision to introduce diesel motive power involved large capital outlays with purchasers showing more interest in credit facilities.

To-day in an increasingly competitive market, purchasers claim to participate in aid or loan programmes. These changes to the greater complexity of tenders for railways were precisely laid down. The way rolling stock have gradually

extended the time necessary to complete a tendering exercise and it is now not uncommon for periods of 9 months or more to elapse between issue of tenders and the award of contract. The last five years have seen further dramatic changes. Mainline diesel locos cost £50,000 20 years ago, it was doubled by the end of the sixties and has now trebled in the seventies. The horsepower has risen almost a

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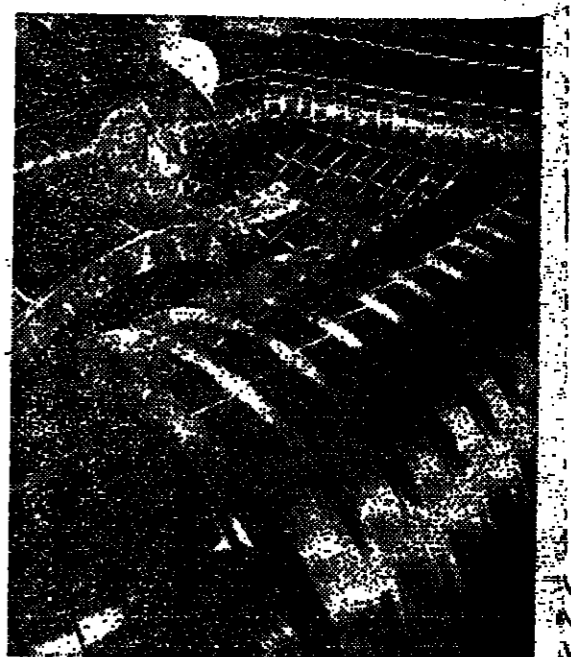
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Aid to the Third World

SINCE the last war most industrially advanced nations have come to regard it as their duty and privilege to make money available to those beginning their development. ERIC LYTON outlines the ways that the Crown Agents help translating that money into reality.

The Crown Agents have been involved with finance for development for over a century. It was 1860 when the first over-

seas Government asked the CA to raise a Loan for them in the City of London. Some 450 Loans and 108 years later all long-standing Principals had reached independence and, together with the CA's new Principals, raised Loans for themselves or applied for development aid.

In 1968 the CA raised their last Loan on behalf of a Principal and began instead to offer their experience in the handling of Aid finance. Since then they have managed just under \$500 million of Aid from the World Bank, and administered just over £2 billion of U.K. Aid from the Ministry of Overseas Development. It was the spring of 1971 that the U.K. Government officially appointed the Crown Agents to assume wider responsibilities for administering capital aid, and they are currently handling some 131 Loans to a total of £725 million.

This administration involves the judging of the eligibility of contracts for Loan finance, the authorisation of all payments to contractors, the checking of all claims for local reimbursement costs and the providing of financial returns to the Ministry of Overseas Development and the Department of Trade.

Administering Loans is a service the CA perform for the lenders, but a far wider selection of services are available for the borrowing countries, and in the last five years more and more countries have asked the CA to manage the Loans they receive. At present, four out of five of all countries receiving U.K. Loans have appointed the CA to manage their funds; and there are seventy-three such Loans to a total of some £347 million.

Loan management

U.K. Aid requires the appointment of a Loans manager in Britain, but the CA also act as managers for Loans from all Development Aid organisations.

As managers of a Loan the Crown Agents open a set of special accounts for each project, check all contracts and Loan documentation, authorise all payments and generally control the funds on behalf of the Principal. In addition, they assist in setting up the right control organisation in the borrowing country, and provide monthly statements covering the movements of every transaction.

The heart of the CA's operations has traditionally been in procurement, and increasingly Principals are using this aspect of the service. Last year some £23 million of goods were bought against Loan funds. The advantages to the borrowing country in using the CA management and procuring services are considerable. It ensures that any order placed qualifies for funding from the Loan and avoids the possibility of the borrowing country having to meet the cost from much-needed foreign exchange. In addition, the CA are able to enter into open account terms that dispense with Letters of Credit, so saving time and money. The close relationship between the Crown Agents and the Development Aid organisations also ensures that all applications take into account the terms of the Loan agreements as well as the special requirements of the borrowing country.

The Crown Agents have always geared their procedures and terms of contract and banking functions as closely as possible to those of the World Bank, whose terms have set the pattern for international aid. This ensures that when they act for the borrower with the banks, the presentation of the project, the purchases involved, the tendering procedures and the documentation is of the kind insisted upon by the banks. Much of the work with Principals using World Bank Aid has been in railways, telecommunications and roads with outstanding success. In many of these, the work has been carried out by CA engineers in conjunction with local labour.

Based on their experience with the World Bank and the U.K. Aid programme, the Crown Agents have now developed a composite service to all borrowing countries offering professional and experienced help with all stages of the project. The Crown Agents' experience has shown that, as important as the management of the Loan undoubtedly is, there is also a need by many countries for planning and technical help both before an Aid-assisted programme is begun and after the money has been spent. Therefore, where projects are to be presented to Development Banks the CA are now working with Principals in helping to identify the key projects, prepare an appraisal of the needs and then formulate its presentation to the Development Banks. Once the Loan is granted the CA can then help to manage the funds, carry out the procurement, send major projects out to international tender, supervise the chosen contractors or send in a management team to work with local labour. At the end of the Loan project the CA will inspect every aspect from the supplies to the finished job and make the necessary certifications.

The CA have also become concerned that too many Aid-assisted projects in the past have been capital rather than labour-based and leave behind a vacuum of skills and management. They therefore work with Principals to ensure, with training, that the project is mainly carried out wherever possible by local labour and that individual overseas experts are brought in to see the project through.

Rebirth of the railways

CONTINUED FROM PREVIOUS PAGE

strikingly. In those early days the average hp per unit was as low as 320 because dieselisation started with shunting locos of low power. Today with high-powered mainline locos of some 2,500 hp the average has risen to over 1,400. The costs per hp were £42 initially, £70 by 1972 and is now often three times that at around £200.

Unfortunately in the early days of the aid and loan programmes priority was given to the building up of motive power and freight traffic to the detriment of passenger stock. These views changed at the beginning of the decade and are reflected in the CA's orders for Principals. Since 1960 they have bought a total of 400 locos, 255 passenger coaches and 6,275 wagons, but the greatest proportion of coaches has come in the last three years. In the decade before 1973, only 18 coaches were ordered but since then some 214 coaches will have been delivered by the end of this year, and another 226 are awaiting finalisation of ordering from Principals.

In signalling and track the Crown Agents are also called upon to give technical assistance on new equipment, advice on switch and crossing work, on new power signalling schemes and on lifting barriers at level crossings. The CA have advised on a power-operated signalling system in South Korea, controlling from one panel over 100 miles of track, supplied Ghana Railway with a survey of rehabilitation and recommended new work, advised the Malaysian Railway on signalling for the Prai-Butterworth swing bridge, and prepared complete signalling schemes for the Kowloon-Canton railway, power operating the new terminus at Hung Hom and other stations from one main panel.

With the ordering of major equipment and rolling stock the CA have for 25 years invited tenders on an international basis. In 1951 the first orders to be placed outside Great Britain were awarded to suppliers in Germany, and to-day at least 20 countries are able to submit tenders for new railway rolling stock.

Currently tenders have been received for carriages and wagons from France, West Germany, Italy, Spain, Romania, Canada, Japan, Taiwan, India, Australia, Belgium, Sweden, U.K. and Switzerland. Tenders for wagons have also been received from Yugoslavia, Hungary, South Korea, Portugal, Kenya and Nigeria and this market has become fiercely competitive.

There are four main services within Crown Agents Railway Division: locomotives; carriages and wagons and railcars; per-



In less than a decade the Crown Agents have managed \$500 million of World Bank Aid and administered over £2 billion of United Kingdom Aid. They are currently handling some 131 loans to a total of £725 million. These include modernisation of mills in Bangladesh where the Crown Agents are also supplying both engineering and procurement services.

through its teething stages and train local staff to carry on.

As well as the management and technical aid available the Crown Agents have also been able to advise Principals on the potential sources of loans. Through their experience in international banking circles and their work with the development banks they have evolved a financial advisory service which aims to keep Principals informed of the alternative ways of their achieving loans. There are some twenty-six Development Banks headed by the World Bank, the Asian Development Bank, African Development Bank, Caribbean Development Bank, many Arab banks, many United Nations organisations and now the European Investment Bank. Each of these has funds available for less wealthy nations. Each has clear policies on the projects it wishes to support. Each has its own rules and regulations on the form of presentation.

Loan sources

In addition there are even more commercial banks prepared to make funds available for development. And equally they have clear policies on the kind of financial standing a borrower should have and the kind of ways the money should be used. There are instances where a commercial loan could be less restricting than Development Bank Aid, which inevitably comes with a multitude of restrictions as to use. Help in unravelling this choice is part of the Crown Agents' service.

The Crown Agents exist to do business for the developing nations. They always have for over 140 years. Until 30 years ago they were restricted to working only with countries that were part of the Commonwealth. Equally, those countries were restricted to working only — on the Loan and procurement side — with the Crown Agents.

When those restrictions were lifted from both sides, no one could be certain whether the services supplied by the Crown Agents would continue to be needed. In fact, in the last 30 years three times as many countries have become Principals of the organisation than ever before.

But the work carried out by the Crown Agents for their Principals has remained in the same tradition — supplying whatever service is needed, large or small, that will help in the development of the country towards a better future.

Since the last war most industrially advanced nations have come to regard it as their duty and privilege to make money available to those beginning their development. It is the Crown Agents' privilege to help in translating that money into reality.



Malaysian plans include rapid development of their railways procured through the Crown Agents whose experience in this means of transportation goes back over a century. Over the years since the end of the first World War the Crown Agents have on average supplied one locomotive, one carriage and twenty wagons to their Principals every week. Many Crown Agents Principals have begun to modernise their railways in the past three years.

manent way and signalling a separate control room. Considerable development is also taking place on the Indonesian State Railways for which the Crown Agents are involved with the supply of 28 locomotives, 54 coaches, 130 wagons and equipment for providing air-operated power brakes on 1,400 wagons at present fitted with manually operated hand brakes only.

The Crown Agents involvement with the railways of their Principals for over a century has produced a service that is unique in the world, involving procurement, engineering, design, contractual inspection, shipping, banking and after-sales expertise. For its Principals the CA procure everything that a railway needs from locomotives and track to flags, tickets and uniforms. They are involved in the design of anything from detailed signalling systems and bridges to simple track layouts and stations. They prepare, evaluate and recommend on international tenders for major capital projects. They inspect everything from the raw materials to the finished locomotive. They carry drawings and specifications going back nearly 100 years and so are able to provide the most comprehensive spare parts service. Their engineers will advise on all railway technical matters: their shippers will deliver the equipment wherever it is needed. Their bankers handle the financial details between the purchaser, the producer and the haps the Aid supplier. In the last year the Crown Agents, on behalf of their Railway Principals, have placed over 10,000 orders in a dozen countries to a total of \$80m. As railways grow to serve society, so the Crown Agents grow to serve its Principals.

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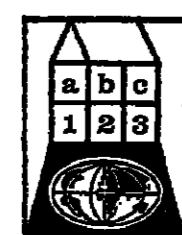
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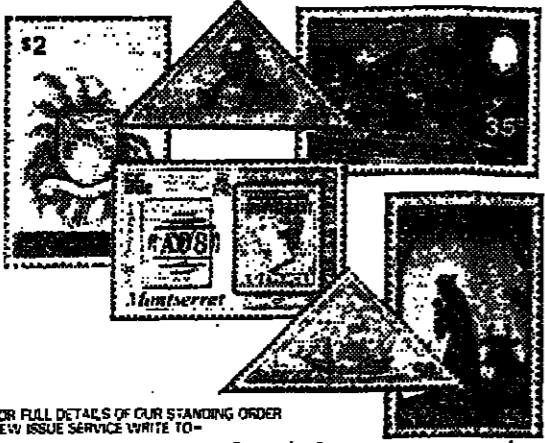
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Stamps for a quarter of the world

Stamps, coins, medals and banknotes are still an important part of the Crown Agents service, as **GEORGE MARKHAM** reports.

In 1848, the Government of the Colony of Mauritius asked the Crown Agents to supply postage stamps bearing the head of Queen Victoria on groundwork of diagonal and perpendicular lines. Five years later Western Australia became the next Principal to order stamps. These were the famous Black Swan issue, one of which was possessed by the young Edward Stanley Gibbons in 1854, shortly before he began his world-famous business. Soon, St. Helena, Barbados, Ceylon, Grenada and Victoria requested supplies and by the 1860's the Crown Agents were deeply involved in the stamp issuing business, designing and printing stamps for fifteen Colonies, with their own watermarked paper, which some of their Principals still use to this day.

Today, one hundred and twenty-eight years after that first stamp printing, the Crown Agents Security Printing and Stamp and Coin Sales Division represents some 57 countries—just over a quarter of the world's postal authorities—and is supplying this year around 165 issues to a value of nearly £2.5m.

During the last two decades, commemorative and special issues of postage stamps have become increasingly popular as a means of stimulating interest in stamp collecting. Over 150 issues this year will be of this type. The most popular subject in 1976, with the postal authorities, is the Bicentenary of American Independence, which has been taken up by sixteen Principals. There are also Olympic issues from some countries, and the West Indies are celebrating their success in World Cup cricket. But none of these issues compares in size with those in preparation for some thirty different countries to celebrate the Silver Jubilee of the Queen's Accession.

The Silver Jubilee issues are expected to be even more popular than the very successful stamps produced in 1974 to celebrate the centenary of the birth of Winston Churchill, for which issues were produced for 19 countries. During the same year 24 postal authorities participated in issues commemorating the centenary of the Universal Postal Union.

The Crown Agents advise their Principals to follow a more conservative policy, preferring to ensure a high philatelic reputation for them by releasing the right number of issues

with the right face values, the right themes and a high standard of printing. As an organisation which has acted for most of its Principals for a quarter-century, many for half a century and a few for over a hundred years, they are concerned to ensure that their issues sell regularly year after year. For this reason they recommend no more than five issues a year with a total face value around £3.

With its long experience of all stages of stamp production and marketing, the Crown Agents are uniquely placed to carry out the whole programme. They begin with advice on the themes, and the selection of designs from a panel of stamp artists who prepare rough designs for approval by the Principal, and when appropriate by Her Majesty the Queen; tenders are invited from the specialist printers, adjudicated, and their orders placed, bearing in mind the production and the desired date of issue. The Crown Agents supply special watermarked paper, control the printing quality and, finally, deliver the stamps to their country and the philatelic trade.

Because marketing the stamps is so important, now that there are so many issues on the market and collectors have become more discriminating, the Crown Agents are conscious of the importance of the goodwill of dealers. They sell stamps only through the trade. Details of their new issues appear every month in their special supplement published in Stanley Gibbons' Stamp Magazine and in their trade circulars issued extensively to dealers and the media. Supplementing these activities, the Crown Agents take part in major philatelic exhibitions all over the world. A recent issue of stamps for Botswana illustrates another way in which stamps may serve

Governments in addition to their prime function as receipts for postal services, and the secondary one of obtaining revenue through philatelic sales. This is as a medium of information to the public of the country of issue. Family planning, hygiene and literacy have already been promoted by stamps. On the introduction of its first national currency Bank on offer at present in silver proof and silver uncluttered notes and coin previously in use, the Botswana Government instructed the Crown Agents to produce a commemorative issue Ascension, to be marketed next of four values of postage stamps, each of which introduces one of the new currency notes.

These stamps reflected the dual aspect of the Crown Agents' security printing services, for, on behalf of the Bank of Botswana, the organisation also ordered the currency notes and coin.

Orders for currency have been handled by the Crown Agents for almost as long as those for stamps. The "procurement and forwarding to the Colonies of banknotes and paper, control the printing quality and, finally, deliver the stamps to their country and the philatelic trade."

When the first stamps, banknotes and coins were designed, printed and distributed by the Crown Agents on behalf of their Principals, they had only one responsible officer was able to insert individually by hand the final figure of the date and his authorising signature, before each note was put into circulation. Other early specimen value and a portrait of the English monarch. To-day, every country's stamps are sold all over the world and many have become miniature works of art. The Crown Agents also place

Pilots, dentists, surveyors teachers, football coaches and gold assayers

Finding the right man for the job is more difficult when the country is thousands of miles away. **JULIAN COURTNEY** found out how the Crown Agents have solved the problem for over a century.

The aspect of the Crown Agents' work with which people are most familiar, because of the appearance of their advertisements in newspapers and journals, is that connected with overseas appointments. This is a traditional service which has supplied overseas governments and public bodies engaged on behalf of Principals with skilled manpower in a multitude of disciplines.

An alphabet of jobs includes Accountants, Bandmasters, Civil Engineers, Doctors, Economists, Fire Officers, Geologists, Hide Examiners, Inspectors of Works, Judges, Keepers of Archives, Lecturers, Matrons, Naturalists, Occupational Therapists, Pilots, Quantity Surveyors, Radio Operators, Secretaries, Television Engineers, University Staff, Valuers, Waterworks Superintendents, X-Ray Technicians, Youth Leaders and Zoologists.

The Crown Agents' appointments service has developed and changed over the years, in accordance with the changing needs of its Principals. In early days, when most appointments were in administrative grades and made by the Colonial Office, the Crown Agents' role was in the main confined to recruiting sub-professionals, such as works superintendents, junior police officers and agricultural assistants. All were recruited on broadly similar terms and conditions, with variations arising mainly according to the country in which they served. In those days, each grade or post carried

with it a precisely defined sea passage entitlement and there were strict schedules of accommodation and allowances. Most Colonial Servants carried with them the British way of life, modified only by the requirements of their duties and the climate. At the end of their careers, many received pensions.

After World War II, as colonies began to gain their independence and to increase their use of modern technology, their manpower requirements changed. A wider range of skills—and the ability to pass them on—was demanded. Part of British Aid was employed in providing supplements to the salaries of expatriate personnel to serve on terms available to locally-recruited staff. The new type of overseas officer was more closely integrated into the life of the people of the country in which he or she worked and had to be able to adjust to a different way of life.

At about the same time, the employment of expatriates on permanent and pensionable terms began to decline and most now undertook to serve on contracts for periods of two, three or five years and receive a terminal gratuity. Passage entitlements according to grade of appointment still existed but that great leveller, air transport, was making itself felt—to the chagrin of the long-serving officers who had enjoyed the more civilised and leisurely sea journeys to and from their stations.

The Crown Agents' recruitment techniques were constantly adjusted to meet their Principals' needs as more and more countries began to develop the skills of their own people and were able to fill locally the posts previously occupied by expatriates. However, with this progress came the need for more specialists, and appointments which in the days before

independence would have been filled by the Ministry of Overseas Development were made by the Crown Agents.

The need in some developing countries for assistance in attracting employees of suitable calibre is still recognised by the Ministry of Overseas Development, which continues to offer supplements to local salaries and allowances. This enables the Crown Agents to recruit successfully for such countries. But other countries, able to finance their own economic development, still have a need for manpower in engineering, science, accountancy, health, education and training, social services and other spheres of public service activities.

Meeting this need frequently calls for a different solution from the traditional one of recruiting individuals to fill particular posts and takes the form of a team of people provided under a "support contract," by which the Crown Agents supply a team to maintain specialised equipment and to train local staff in the technical know-how necessary to enable them to take on greater responsibilities themselves. This would normally be organised by one of the specialist divisions, such as the Supply and Materials Management Advisory Service or the Engineering Advisory Service; or by Millbank Technical Services Ltd.

A simpler "package" provides a team directly integrated into, say, a Public Works Department or a Ministry of Communications, which complements local staff and is completely answerable to local heads of departments for their work. It is possible to see this team concept applied in almost any field of government endeavour.

The individuals or teams provided under such arrangements are members of the staff of the Crown Agents and the fee for the "package" is a comprehensive one to cover salary and allowances, passages and all incidentals.

A relic of past service on pensionable terms of employment is the large number of retired colonial officers still receiving pensions and the British Government has transferred the work of paying the overseas service pensions for which it has now assumed responsibility to the Crown Agents, who are currently paying around £2,000 pensions with a total annual value of approximately £57 million.

Supplying and servicing manpower for the public services overseas is no easy task; the combination of experience, knowledge and flexibility which the Crown Agents offer comprises a uniquely comprehensive service.



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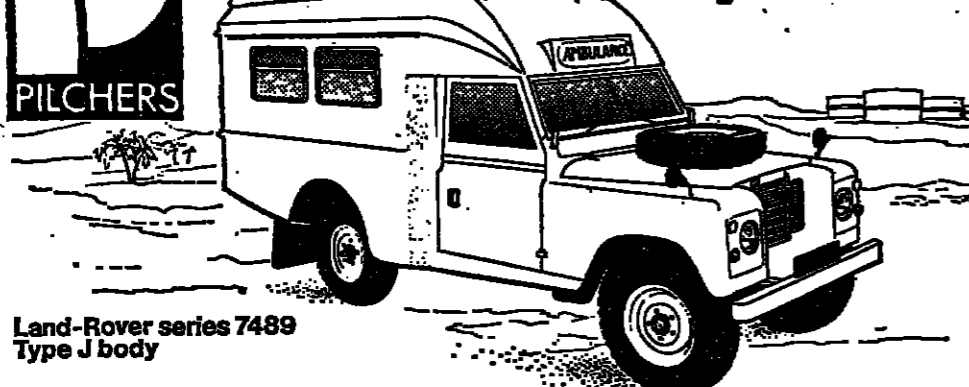
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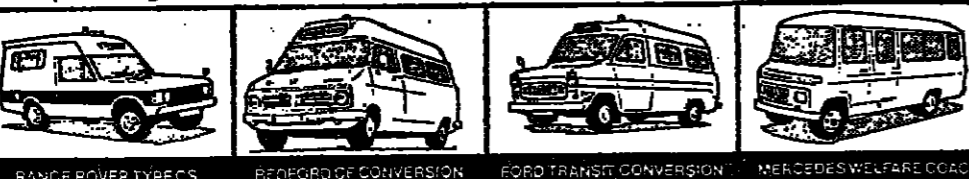
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CROWN AGENTS ADVERTISEMENT 7

A century of service

JAMES D'ARCY traces the growth of the Crown Agents' services over 14 decades.

1833 is traditionally the date which marks the beginning of the Crown Agents as we know them today but, the Crown Agents originated in the eighteenth century, although their function was then very different. At that time it was the established practice for a Governor to be appointed to a colony as a representative of the Crown and for executive control to be vested in him. The transaction of everyday business was conducted by means of agents. While the "Crown" agent's nominal function was "to transact the affairs and carry on the necessary correspondence" for a colony, his real function was to receive and account for monies issued from the Treasury.

However, as the 19th century opened, a new type of agent emerged, with competence and interest in a wider field of activity. As the colonial agency began to place more stress on its commercial, rather than its political functions, it became responsible for the procurement of materials and the placing of loans. This change was exemplified by the appearance of William Huskisson, the well-known exponent of free trade, who was appointed to the agency for the Cape of Good Hope in 1798 and to that for Ceylon in 1801.

At this time there still existed several separate Crown agencies. This arrangement was thought by many to lead to inefficiency and some confusion, and in 1830 a general report published by the Commissioner of Colonial Enquiry contained a positive recommendation for the establishment of a consolidated agency. The new appointments, which were made, somewhat inappropriately, on the 1st of April 1833, were styled "Joint Agents General for Crown Colonies" and the agents, after appointment by the Secretary of State, bore direct responsibility to the several Governors of the colonies served.

Thirteen British colonies, known then as the "Crown

Colonies," were supplied by this newly formed Crown Agents' Office. By 1845 this number had increased to twenty-two and now, 131 years later, the Crown Agents are acting as financial, commercial and professional agents for over 100 governments and over 200 public authorities and international bodies. Although a large number of Principals are former colonial territories, now members of the Commonwealth, nearly a fifth of them have never been members of the Commonwealth. The Crown Agents undertake substantial business with several Arab Emirates, for example, and while they have lost a few Principals they have gained many more. Some have left, Sri Lanka for instance, only to return at a later time. In the last few years new Principals have included Abu Dhabi, Colombia, Ethiopia, Indonesia, Iran, Nauru, Oman, the Philippines, Pakistan, Peru, Thailand and Zaïre.

Diversification

In the early 1960s it was thought by some that the independence of their most important Principals would lead to a reduction in calls on the Crown Agents' services. For the first few years this did appear to be the case. In 1962 orders fell to £46m. from the previous level of £56m. Over the next few years, however, procurement orders improved and in 1975 stood at £165m. This success has only come about because the Crown Agents have been both able and willing to diversify their services to meet Principals' changing needs.

The services they offer include:

- (i) buying, shipping and arranging the insurance of stores, materials, plant and equipment of all kinds;
- (ii) technical inspection of stores, materials, plant and equipment of all kinds;
- (iii) providing professional and technical advice and practical assistance particularly in connection with engineering and supply and materials man-

agement matters, including supervision and management of projects;

(iv) the management of Investment Funds;

(v) the acceptance of moneys in various currencies deposited by Principals and the quotation of rates for such deposits;

(vi) the making of miscellaneous payments for Principals;

(vii) the provision to Principals, where appropriate, of financial facilities in connection with their use of other services;

(viii) the management as Registrar of Principals' public sterling loans;

(ix) the management for Principals of other loan raising and servicing operations;

(x) the purchase on behalf of Principals of real estate and related property management and advisory services;

(xi) the negotiation of contracts for the design, security printing and supply of currency notes and postage stamps, minting coins, and sales of postage stamps and coins for collectors;

(xii) the provision of personnel services, such as recruitment of staff for Principals, booking sea and air passages, payment of salaries, allowances and pensions, and management of pension schemes and funds;

(xiii) the provision of a comprehensive and completely independent Appraisal and Certification service to Ministries of Finance, Treasuries and Plan and Budget Organisations — or Executive Agencies — of overseas governments embarking on major development plans or multi-input construction projects, involving prime cost (or cost plus) contracts or turnkey bids.

An important part of the Crown Agents' business lies in the buying, shipping and insuring of stores, materials, plant and equipment. While they have been involved in this type of work since the earliest days of the agency, the expertise now offered is greatly increased. They buy anything and everything for Principals from shoe laces to satellite stations; from medical drugs to aircraft; from writing paper to barges.

The Crown Agents supply a service of technical inspection of stores and also offer training courses to store managers. Inspection of stores has led the Crown Agents into some interesting sidelines. Some time in the distant past they acquired the obligation of inspecting the material which goes to make up British policemen's uniforms, and so continue this function to the present day.

The professional and technical advice and practical assistance, including the supervision and management of engineering projects, has expanded rapidly since the 1960s, and particularly so in the last decade. The Engineering Services Department was set up to provide the whole range of engineering services from advice on a minor problem through feasibility and design



The Crown Agents inspect goods to the value of just under £2 million a week on behalf of their Principals. Here an Inspector is checking pipes in Hong Kong for delivery to Brunei.

studies to the complete design, supervision and management of construction of a major project.

For major complex projects, the Crown Agents can form and lead a suitable consortium of consultants, or alternatively, recruit specialists to cover any particular skill not available within its own organisation.

The value of the projects in connection with which the department has provided services has increased from \$6m. in 1966 to over £200m. in 1976.

In 1968, Millbank Technical Services Ltd. was established as a wholly-owned subsidiary company of the Crown Agents which can enter into contracts and bring together in a single contract various companies providing equipment or services, and if necessary an input from a British Government Department to complete a project. At present MTS is handling a large number of contracts, exceeding £1,000m. in value. The Crown Agents field of operations also extends into the philatelic world, negotiating contracts for the design, security printing and supply of currency notes and postage stamps and the minting of coins. They see the process through to the end by arranging contracts for sales of postage stamps and coins to collectors. The revenue deal with them because they

(Continued on next page)

Goodwill

It might be asked what the Crown Agents gain in return for their diverse services, for they have, by Ministerial direction, historically worked on the basis of covering administration costs and maintaining an adequate working balance, with no attempt to maximise profits. Perhaps the most important, yet unquantifiable, benefit acquired for sales of postage stamps and coins to collectors. The revenue deal with them because they



Throughout 1901 the first steam tramway in Africa was being built in Lagos and was completed the following year. For over 140 years the Crown Agents have helped in the development of emergent countries.

The dogs that went soft

1,000 consignments a week carry goods ordered by the Crown Agents for their Principals. These vary from Alsations to turbo-engines, as **TERENCE HIGHTLEY** discovered.

Every week just under 900 orders are placed by the Crown Agents on behalf of their Principals somewhere in the world. These orders are for goods as simple and small as a shoelace to equipment as complicated and bulky as a TV station. And every week just over 1,000 consignments have to be despatched from manufacturers in over twenty countries to ports and airfields in every continent.

This is the work of the Crown Agents Shipping services who in the last few months have shipped a shrimp trawler to Nigeria, relief supplies to Guatemala, an Olympic swimming pool to Katmandu, 3,000 cases of coin and currency, a field hospital to Mogadishu, road-building equipment to Iran, South Yemen and Sudan, TV machinery to Brunei, Post Office equipment to Hong Kong, pumping equipment to Bangladesh, fireworks to the Seychelles for Independence Day and 100,000 tons of fertilisers to a dozen countries.

Today 40,000 consignments of around 300,000 tonnes are dispatched annually by sea, with a further 13,500 consignments going by air with a cargo weight of 2,500,000 kilos. A large number are general cargo items of up to 5 tonnes which the Crown Agents ship under a standard allocation per vessel, but in the last five years the trend is towards more complex arrangements on a major scale.

The extraordinary wide range of goods by size, nature, value and sheer difficulty are all treated with the well established priorities of how safe, how quick and how much? Sometimes they are sent to ports regularly serviced by ships discharging at ocean terminals; sometimes to ports where cargo has to be taken by

lighters outside the port; sometimes the goods are offloaded at the nearest port many miles away. Recent shipments to Afghanistan, for a cotton ginnyer have involved shipping via Leningrad and hence overland via Kushka on the Soviet side and Torgundi on the Afghan side of their border. This mixture of sea and overland cargoes is growing as ports around the world become congested, and alternative methods of transportation are sought.

Fifty years of experience gained from past consignments plays an enormous part in ensuring that the right ship has been chosen; in negotiating the best rate; and in the handling of large and difficult cargo requiring stacking and dovetailing. Once the goods are on the quayside ready for shipping the CA dockside staff take over at U.K. ports like London, Liverpool, Avonmouth, the Cowes Roads, Dover and Falmouth. Working with port staff they give special attention to security cargo, the care and treatment of livestock and dealing with any problems on the spot as representatives of the Crown Agents Principals.

Once the goods are loaded the storage reports are prepared, the Bills of Lading are signed, collated with the stores invoices and then dispatched to reach the consignee before the carrying vessel. Documentation is of paramount importance in shipping, and must conform with the regulations of every country, the shipping authority, and the Customs and Excise officials. Animals are a frequent request and in the last few months the Crown Agents have shipped goats and guinea pigs to Kharoun, a live ram to Montserrat, Alsatian dogs to Malaysia, day-old chicks to Nigeria, and sheep to Bogota. Animals present obvious unusual problems over the amount of inspection of their food, medicine, and quarters; the necessity for details of their sex lives to be known and the attention they need on the journey.

In spite of all efforts, not every consignment can go successfully. Not so long ago the Crown Agents shipped half a dozen fierce Alsations to a Prin-

cipal in the Far East for use as guard dogs. When they arrived on board they were prepared to bite everyone on sight and so fitted the order perfectly. The Captain was apprehensive, but was assured by the Chief Stoker that he would personally look after the dogs. He kept his promise and during the 31-week journey spent all his spare time with the animals.

By the time they arrived in port the alsations were so loving and friendly that they actually sat up to beg for food, loved the Chief Stoker like a brother and came down the harbour side determined to smile rather than snarl at the world. A few days after delivery to the Principal the CA received a letter complimenting them on the excellent condition of the dogs—a tribute to their handling on the voyage—but regretted that the dogs were totally unable to perform their duties. Would the Crown Agents please send six more dogs unstained by the milk of human kindness?

Towed to Lagos

A more successful story with a rather larger cargo came with the shipping of equipment to Apapa in Nigeria as part of the port decongestion programme. To alleviate the congestion that had been plaguing the Nigerian ports the CA placed orders for fork-lift trucks, cranes, barges, rugs, pontoons, tractors, freight-lifters and container handlers. The majority of these were shipped by heavy lift vessels, but the barges and pontoons were floated onto semi-submersible vessels. These were flooded to just below sea level, the cargo moved into position above them and the water was then forced out by compressed air so that the "semis" rose and lifted their loads out of the water. With their shallow draught they were able to follow an inshore route to Africa towed by tugs. When they arrived in Lagos the cargo was floated off by reversing the loading procedure. In the shipping world alternative methods to conventional

Keeping standards high

In every manufacturing country in the world Crown Agents engineers inspect goods and equipment for their Principals, **MAX DEEDS** explains why.

It is frequently argued that inspection by a purchaser is unnecessary because suppliers have a legal obligation to supply in accordance with contract specifications. However, the receipt of defective goods or materials can result in costly delays, while legal actions against contractors can never wholly compensate for the inconvenience and hidden costs involved. Experience has revealed another beneficial effect in that the very presence of an inspector tends to raise standards.

The Crown Agents' inspection service dates back to 1904 and has been developed specifically to meet the needs of governments and public authorities throughout the world. It was originally designed to safeguard the quality of items purchased by the Crown Agents, many of which are ordered to their own specifications, and to ensure that they satisfy criteria of quality and suitability, bearing in mind the special requirements of the various climatic and geographical conditions met in the countries of their Principals. In recent years, however, the service has been extended to include contracts placed directly by Principals who prefer to make their own purchasing arrangements but who do not themselves have a suitable inspection facility.

Some 200 governments and public authorities utilise this service and the certificates rendered are accepted internationally for letter of credit and Customs purposes.

Overseas inspection

The international nature of trade to-day, which is reflected in the pattern of the Crown Agents' own purchases, means that much inspection is carried out overseas, and there can be few countries which have not been visited by one of its inspectors to judge items as varied as cloth in Pakistan, railway rolling stock in South Korea, refrigerators in Australia, a fishing vessel in Mexico or earth moving equipment in Japan.

This world-wide service is manned by some 70 qualified inspecting engineers and technicians in many disciplines, all of whom have had experience in industry before joining the Crown Agents, and whose expertise in their specialist fields is respected by manufacturers and suppliers internationally.

The inspection staff operates from a system of regional and district offices, eight of which are located in the United Kingdom.

dom, with others in Germany, Japan, Singapore, India and Hong Kong. They are controlled from London.

The items they inspect include steel and other raw materials, machinery and plant, structures, vehicles, vessels and clothing. Before manufacture starts, inspectors decide what extent they should discuss inspection procedures with suppliers and sub-contractors and clarify any doubtful points in specifications. Thereafter, appropriate tests are carried out on materials and components. Visual, dimensional, functional and performance tests take place at appropriate stages; drawings, part lists and instructions are examined; and the packing or protection for shipment is discussed and approved. All these tests must be satisfactory before the final certificate of inspection is issued to the purchaser, together with reports detailing the tests carried out, and their results. Certificates to authorise payments are also provided.

Other services include the supervision of commissioning and acceptance tests on site, and the witnessing of sea trials in the case of ocean-going vessels. Items for repair can be examined during the unpacking of the goods sent to the contractor so that the extent of the repairs required can be ascertained and recommendations made to the Principal. The items are again inspected during repair and approved before despatch.

Non-engineering inspection is centred on the London office, where a fully equipped laboratory enables the inspectors to carry out physical and chemical tests, although, where necessary, other specialist testing houses are also employed. The bulk of the items inspected is formed of soft goods—material, clothing, footwear and leather goods—and paper, but a variety of other household, school, hospital and office equipment is also examined. Many of the items inspected have to comply with Crown and testing houses.

Currently, the Crown Agents are carrying out inspection on contracts with an annual value of around £100 million. The high regard in which the service is held has resulted in their being represented on the National Council for Quality and Reliability and on a number of British Standards Committees and their advice has been sought by overseas authorities concerned with establishing their own national standards for such supplies are placed.

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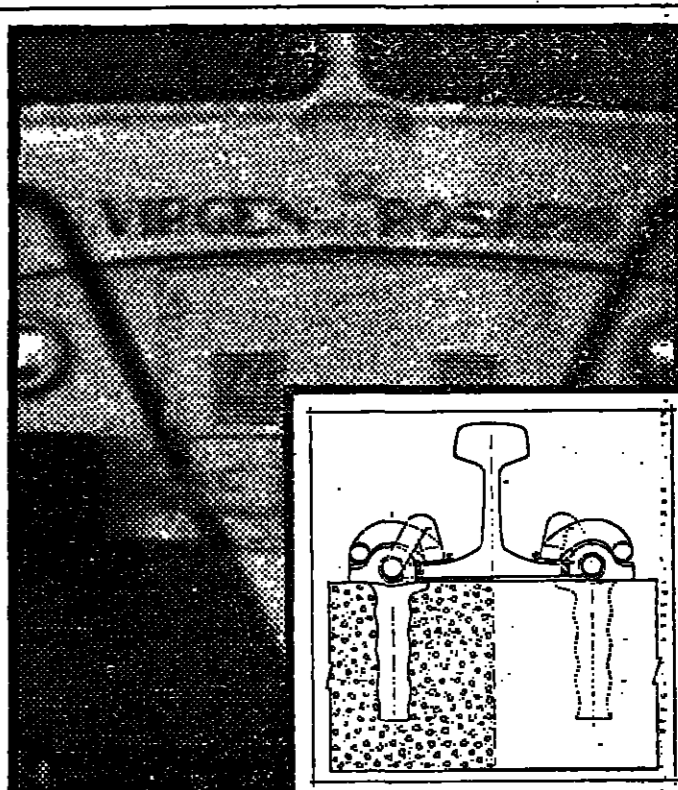
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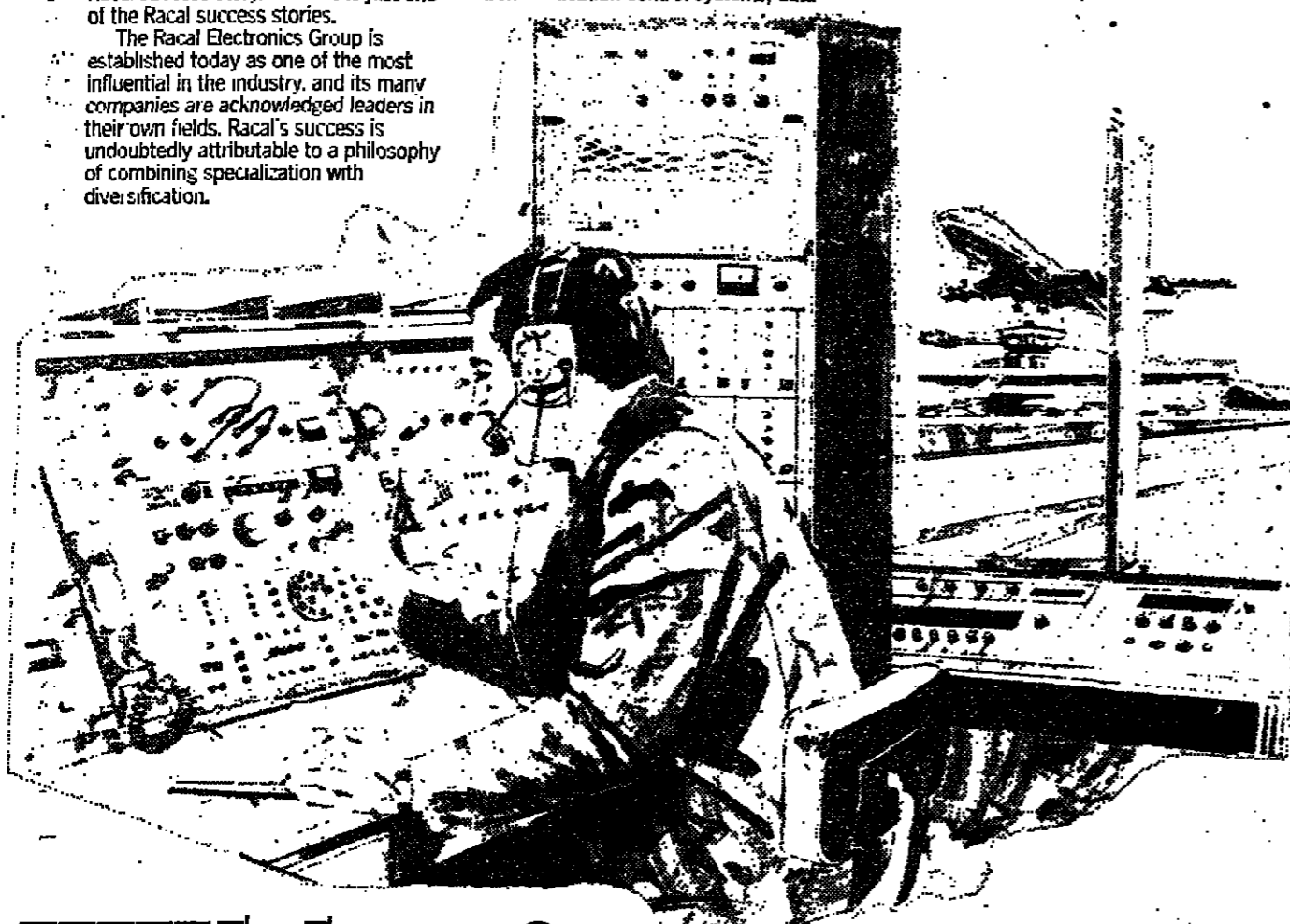
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Continuing MTS growth

The Crown Agents formed Millbank Technical Services Ltd. to handle projects best served by a coordinating company rather than an agency. With an order book for over a billion pounds, mainly from the Middle East, MTS has dramatically extended the range of CA services. ALEXANDER McClaren describes its work.

MTS was set up by the Crown Agents ten years ago to extend the services offered to clients. It is a wholly-owned subsidiary which, unlike the Crown Agents, is a limited company and can therefore act as main contractor and as such can take advantage of the facilities provided by the Export Credits Guarantee Department. Like the Crown Agents, MTS work entirely for the public sector.

With the added backing of the Crown Agents, MTS can bring together the wide resources of British government departments and public sector bodies, combined where necessary with the many resources available in the private sector. Credit facilities can often be arranged, if required, with ECGD. The use of MTS whether for supply, support or package projects is particularly appropriate where government to government projects are envisaged.

In 1975, MTS supplied equipment and services to the value of £120 million and now has current contracts exceeding £1,000 million in value.

Although MTS is a limited company working in the commercial contractual field, it operates on a public service basis. It has, however, always achieved a surplus to provide suitable reserves for its scope and obligations.

The activities of MTS can be broadly divided into three major categories:

1. Supply Services.
A procurement and supply service is offered for both civil and military goods and equipment; the service can include inspection, insurance and despatch as required and suitable equipment can often be supplied with the aid of credit and if need be, grouped together into a single contract with the client.

A wide range of goods and equipment can be supplied. On the civilian side anything from mining plant, public works equipment and sewerage plant to buses, agricultural machinery and laboratory and educational equipment. On the military side anything from sophisticated equipment for the three branches of the armed forces to the more straightforward items such as spares, training aids and ammunition.

MTS Supply division is staffed by professional buyers with many years' experience in their own fields. MTS also draws upon the expertise available in Crown Agents, British government departments and public sector bodies, to enable them to provide this service.

2. Support Services.
MTS can provide skilled personnel to maintain and operate the equipment, both military and civil which is supplied, train local personnel and also train selected staff as instructors. MTS can arrange training in existing centres in the United Kingdom or establish the required facilities locally including if necessary English language training.

MTS can advise on the management and operation of training in military or industrial projects or on special

projects. Skilled personnel can be provided to initiate new projects and provide management while training local staff to take over these facilities.

The personnel provided to act in these support roles come from a wide range of sources available to MTS Support Services Division, including private or nationalised industries and British government departments. In the military sphere there is a very close relationship between MTS and the British Ministry of Defence. In this way MTS Support Services Division has successfully helped to set up military training schools, field workshops, a technical high school and maintenance units for naval craft. Large numbers of retired and serving military and naval personnel are employed on overseas support contracts by MTS.

Assistance in planning services can also be offered, particularly for military and naval workshops, incorporating the latest industrial systems and designs.

3. Project Management Services.

The third service offered by MTS, which can also incorporate both the supply and support services functions as necessary, is the provision of a complete package deal for an integrated project. In such cases MTS normally prefer to operate in a management co-ordinating agent or consultant role, and draw together personnel from within the MTS and Crown Agents' organisations, particularly the latter's inspection service, engineering services from specialist private sector companies and from British government departments and public bodies.

In certain circumstances Millbank Technical Services Limited is prepared to enter into a turnkey operation as the main contractor. The complete package offered by MTS provides assistance in defining the total requirements; feasibility studies; preparation of initial concept and outline proposals; design, both architectural and engineering; preparation of drawings, estimates and specifications; issue and appraisal of tenders; letting of contracts and appointment

of sub-contractors; planning and programming of the project; procurement, including expediting, inspection, insurance and despatch; control and supervision of contracts, including financial and quality control, together with final commissioning; initial appraisal of the project and appraisal of work performed and invoices presented; and support services in operation, maintenance and training including instructor and language training.

MTS are able, therefore, to provide a complete project package, from initial definition, through to the handover of a completed project fully equipped and staffed with expatriate staff seconded on a temporary basis.

Through this Project Management Services Division, MTS has handled a wide variety of projects. Two of the largest contracts undertaken have been for the setting up of a large ordnance complex and a project for major harbour, dock and marine works together with all the shore facilities associated with major naval base. In both these cases MTS brought in the largest contractors in Britain, together with consulting firms and associated services.

Other examples of contracts

in which the Division has been involved or which are under negotiation are a survey and recommendation for the up-dating of a network of lubricants laboratories, the design and the building and equipping of hospitals.

Among the countries where Millbank Technical Services have operated are Algeria, Argentina, Bahamas, Bahrain, Barbados, Chile, Guyana, Iran, Jamaica, Jordan, Kenya, Malaysia, Morocco, Nigeria, Philippines, Sierra Leone, Swaziland and Tanzania.

The surge in growth to an order book of over £1 billion and a staff of nearly 700 around the world reflects the demand for large engineering and technical projects from national wishing to implement their development plans. MTS is able to act for the most part as managing agents of a project aiming to bring together the best consultants and technicians, and make the financial arrangements. Backed by a century's experience in government to government dealing and with a decade's experience in arranging credit facilities from countries, development organisations and banks, MTS is supplying the much needed co-ordinating function which so many nations seek. In its first two years MTS signed only one contract. To-day it is one a fortnight.

A century of service

CONTINUED FROM PREVIOUS PAGE

know and put their trust in the highly integrated organisation of specialists which they have to offer, and it is important to record that the United Kingdom Government has recently clearly demonstrated its intention to ensure the Crown Agents' services continue to be available by making to them a recoverable grant, giving an assurance that HMG stands behind them and, proposing in a White Paper (Cmnd. 6445), their conversion into a public corporation.

The faith which Principals have in them has been reflected in the pace of the Crown Agents post-war development which has been extremely rapid. Far from declining as a result of the independence of the British colonies, this change forced them to examine their services and to undertake expansion in selected areas. To-day the office of the Crown Agents for Overseas Governments and Administrations—give it its full title—has become one of the largest export agencies in Britain, ordering on behalf of its Principals, over £10m. of British goods and equipment last year. It offers a complete service to all the developing countries from a simple acquisition to a major technological programme. There is no other organisation in the world with its experience and breadth of services, and its new growth reflects the confidence placed in it by leaders of developing countries.

Appraisal and certification

As a further service to Principals, the Crown Agents has recently set up an Appraisal and Certification Service. It is designed to assist international and national aid agencies, Ministries of Finance, Treasuries and Plan and Budget organisations of overseas governments embarking on development plans or multi-input construction projects. The services can be made in whole or in part either as an independent unit or by secondment of quantity surveyors, cost accountants and other specialist staff to work within existing organisations.

The Appraisal and Certification Unit is currently working for the Ministry of Defence and Millbank Technical Services Ltd., the wholly-owned subsidiary of the Crown Agents, on large construction projects in the Middle East.

The aim of the appraisal service is to assist the Principals'

own staff in the development of sound techniques of appraisal. This covers such matters as economic appraisal of proposed multi-input projects or package bids with cash flow charts; cost benefit analysis; appraisal to ensure compatibility in terms of quality and performance within realistic time scales; appraisal of design and construction costs leading to a budget; and advice on the preparation of design briefs. It can also assist in the selection of the design team, forms of contract and tendering procedures; and advice on selecting contractors and suppliers. This includes Principals' internal procurement and purchasing policies for plant, equipment and construction materials supply; advice on cost planning; advice on budget control, performance bonds, insurance requirements and on the need for construction site materials manufacture facilities and their long term value to the local economy.

The certification service on the other hand sets out to assist the Principals' own staff in the introduction of the essential financial control systems following acceptance of a bid on cost-plus, turnkey, schedule of prices or other contractual method. Where cost escalation

due to inflation or design development is inevitable during the construction phase, the need to use these special skills can be of critical importance.

The Crown Agents offer advice on the validity of sub-contract or sub-supplier proposals to ensure that sub-contracts are entered into on a sound basis in relation to value for money, quality, performance and the overall time-scale requirements of the main contract. It also offers advice on financial provisions for development of systems of cost planning, budgetary cost control and interim payment certification procedures; on definitions and categories of reimbursable costs, including expenditure verification and validation of planning and progress control systems and reconciliation with progress payments; advice on provisions for variations arising from additions or omissions to the scope of the work, and certification of the final account on completion as defined in the contract.

In addition to the direct provision of these services, the Crown Agents can arrange suitable training courses for local staff in the techniques and procedures of appraisal and certification.

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ECONOMIC VIEWPOINT: INDEXED FINANCE

BY ANTHONY HARRIS

The corrosive effect of cynicism

THE ARGUMENT between Keynesians and monetarists in this country usually comes down, in financial terms, to an argument about interest rates. The Keynesians—it would be tedious to persist with the quotation marks, whose meaning will become clear shortly—tend to argue that interest rates are an important determinant of investment, and that the monetary authorities must therefore pay close attention to the rates which result from their market operations.

Monetarists reply that if only their own prescriptions were followed, then inflation and interest rates would in due course be reduced, and we would attain our desires: attempts to attain the dilemma simply distort the market and prolong the agony. In practical terms, the monetarists suffer a fatal handicap: they can never say long enough it will take to achieve their rewards they promise.

One likes to describe this debate as sterile, but the platitude won't do: the argument has in fact given birth to a monster—a generation of largely cynical demonstrators. Neither the Treasury nor the Bank of England has at any state actually been converted to monetarism, and for a very good reason: nobody, even on the academic side of the argument, has ever produced a convincing demonstration that their hypotheses actually hold good for the U.K. economy—hence the extraordinary fact that three economists who recently tried to evaluate the various economic models of the inflation process, and published their results in the *National Institute's Review* last week, were unable to find a monetarist model to test. At

the same time, monetarist arguments from the Opposition are embarrassing, and monetarist requirements from the IMF are sometimes compelling. The result is a monetary regime which is unconvincing because it is unconvincing, fertile in its severity, and ambiguous in its objectives, prone to gadgets and to window-dressing. The corrosive results of this cynicism will appear shortly.

However, the monetarist-Keynesian debate is sterile in another sense: both sides in the argument are in fact presenting a travesty of the arguments they think they are expounding. Keynes never for a moment supposed that the money supply didn't matter; and Prof. Milton Friedman, by far the most intelligent monetarist, has recognised—and solved—the interest rate problem.

Prof. Friedman, working in his own frame of reference, has identified what he calls the "rent" problem in terms of expectations. After a period of inflation, those with money to invest are worried about continued inflation, and demand the best compensation they can find against it. Borrowers, on the other hand, are worried that if inflation should abate, high nominal interest rates will impose an insupportable financial obligation on them. This uncertainty about future inflation rates therefore inhibits commercial investment.

The problem, he suggests, can only be solved by indexed finance, in which the value of debt will be adjusted for future inflation; by thus consigning inflation to a formula, the market can work out a stable—and

in a recession, a low "real" cost of credit. Failing this, investment and the economy will only revive when not only inflation has effectively been eliminated, but the fear of inflation has abated too.

The sudden performance of the Western economies at the moment seems to support this part of Prof. Friedman's theories at least as strongly as the inflation has demonstrated his better-known theses; but

there are other explanations of schools: the industrial bond market has dried up (as Prof. Friedman has predicted), while those industries whose real capital has a long life—housing, railways, shipping, and public utilities generally—have found themselves at an increasing disadvantage, driven into debt at all dependent on recent loan capital.

Indeed, the arguments have so often been stated, and in so many forms, that two illustrations must suffice to illustrate the potential, before we get down to detail and to official objections. Most market observers believe that at the moment an indexed irredeemable security would find a very large market at a yield of 2-3 per cent. (and some brokers think it would be lower). At

present 6 per cent., and this fiscal burden would be significantly reduced by the existing debt is concerned. The public sector borrowing requirement in 1977/78 would be a prospective £3.4bn. instead of £3bn.

The authorities have long been aware of these arguments: why, then, is indexation apparently permanently shelved, and hardly even the subject of any serious study? Conversations with officials have produced a large number of objections, which can roughly be summed up under three heads: indexation would actually raise the cost of public borrowing; indexation of Government stock would lead to a rapid spread of indexation throughout the financial system; and it would cause

an unpredictable upheaval in financial markets. Anyway, no one else of any importance has tried it.

The idea that borrowing at 14 per cent. is in some sense cheap is deeply ingrained among officials. It is based on a misunderstanding of what Keynes meant by the "real" rate of interest, generally now defined as the rate of interest less the rate of inflation. It is necessary in the Keynesian model simply to make sense of the concept of negative interest rates, which Keynes said would be required in certain conditions of slump (such as the present); but it is a measure which can only be applied to the present and the past, when inflation rates are known. If you point out to officials that long-term bonds at 14 per cent. can only be described as cheap if you assume that double-digit inflation will persist through the whole life of the bond, they hotly deny assuming anything of the kind; but the claim that high interest rates are cheap can only make sense on this assumption. This is what I mean by the corrosive effect of cynicism: it goes underground.

In any case, the argument is not applied consistently. If high-coupon finance were indeed cost-free, it would be absurd to require nationalised industries or housing authorities to cover their interest charges: interest payments would simply be capitalised—yet the total debt burden, in real terms, would constantly be shrinking—as long as there was enough inflation. Yet what would rightly be described as idiotic profligacy in the management of a public enterprise is complacently

adhered to in the national finances. This particular argument has lost much ground in the Treasury since the last White Paper on public spending showed how rapidly negative interest rates could become large and positive should an anti-inflation policy succeed; and the Government has also begun to realise the damage which high nominal rates do to the private sector (a point which did not even occur to the thinkers of the Labour Party National Executive Committee). The second-line objection therefore comes into play: where would it all end?

The problems of indexing capital are simply imaginary: there is no need to consider it in the context of an irredeemable security—the appropriate instrument for consolidating the national debt. The market would "index" the value of a known stream of real income—but it would not be constant, any more than Consols had a constant price in the days before inflation was a worry.

In the last analysis, the true objections to indexation reveal themselves: a fear of the unknown, and a fear of being thought "Lain American"—indeed, some officials think that the issue of indexed debt would be read as an admission that inflation is here to stay—when in fact their own argument against indexing is merely a disguise for a desire to avoid this trap: a proportion of money GNP, of real national disposable income, or an index tied to wages themselves.

This last has a special appeal, since it would closely match the needs of pension funds, and at the same time would ensure that rentier incomes would be restrained if wages were restrained, avoiding accusations of unfair treatment at times of squeeze, but some dilution—through partial indexation—would be virtually beyond repair.

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The problems of indexing capital are simply imaginary: there is no need to consider it in the context of an irredeemable security—the appropriate instrument for consolidating the national debt. The market would "index" the value of a known stream of real income—but it would not be constant, any more than Consols had a constant price in the days before inflation was a worry.

In the last analysis, the true objections to indexation reveal themselves: a fear of the unknown, and a fear of being thought "Lain American"—indeed, some officials think that the issue of indexed debt would be read as an admission that inflation is here to stay—when in fact their own argument against indexing is merely a disguise for a desire to avoid this trap: a proportion of money GNP, of real national disposable income, or an index tied to wages themselves.

This last has a special appeal, since it would closely match the needs of pension funds, and at the same time would ensure that rentier incomes would be restrained if wages were restrained, avoiding accusations of unfair treatment at times of squeeze, but some dilution—through partial indexation—would be virtually beyond repair.

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Is the adjustment to reality, like so many previous ones—from devaluation to incomes policy—to be left until the damage is virtually beyond repair?

Dilution

Indexation of wages, such a disaster under the Heath incomes policy, is a hard ghost to lay. This could be a real fear if real purchasing power were the only basis for an index, for no Government has the power to guarantee real incomes against changes in the terms of trade (the pit into which the Heath policy fell) or for that matter against drought and disaster. However, other measures avoid this trap: a proportion of money GNP, of real national disposable income, or an index tied to wages themselves.

This last has a special appeal, since it would closely match the needs of pension funds, and at the same time would ensure that rentier incomes would be restrained if wages were restrained, avoiding accusations of unfair treatment at times of squeeze, but some dilution—through partial indexation—would be virtually beyond repair.

Letters to the Editor

Rolls-Royce and the RB.211

From Mr. F. P. U. Croker.

Sir—In your issue of June 10, 1976, you published a statement of the Receiver and Manager of Rolls-Royce Ltd., in which the following sentence appeared: "It has to be recognised that the RB.211 assets have a value of approximately 40% of their book value, and have no prospect of being made any more."

The shareholders, in fact, did not receive a penny of compensation for the RB.211 assets. Now, in your Aerospace Survey of September 6 you report: "The government will receive £50m. of RB.211s. This compares with a loss of up to £25m. which was forecast in 1971 when the RB.211 collapsed."

It is not transparently clear that the profit now accruing to the Government has been made at the expense of the original shareholders (before the Receiver's appointment) as a direct result of a bogus bankruptcy, engineered to its eternal shame, by the Conservative Government, by the simple expedient of withholding previously promised financial support at a time when, relying on that promise, the Company had, in the national interest, locked up its cash resources in the development of the RB.211.

Shareholders do not, admittedly, rank high in the Socialist index of priority, but if investment in industry is to be given the necessary encouragement of a fair and honest treatment by the Government in power, whether Socialist or Conservative, would it not be an act of pragmatic wisdom, as well as an act of justice, to remedy the injustice to the pre-receiver shareholders of Rolls-Royce, whose compensation hitherto, despite the efforts of the Receiver, has been altogether inadequate?

Since the £50m. already realised in profit is virtually certain to prove the precursor of very much larger sums as an ever-increasing number of RB.211s and later developments are sold up to the end of the century, this remedy is not only in the form of a special scrip for the shareholders, who may not look for a just return on their whole transaction, even if a failed one.

Yours faithfully,
Mr. F. P. U. Croker,
14, Dorchester Crescent,
Willesden.

How costs get pushed up

From Mr. Lyubo Sir.

Sir—Your leading article on "How costs get pushed up" (September 6) requires to be linked with two papers that Jacques J. published in the *Revue d'Économie Industrielle* of 1975 and 1976, of which he has been the audience at the 1975 meeting of the Mont-Pèlerin Society in January this year. The work showed an almost complete correlation between the actions of real wages and unemployment in Britain at that time. At the meeting, he also presented his new calculations of 1963-1975 confirming the correlation of about 40 years.

In his own words, the findings are in line with the classical theory.

In fact, it only stands to reason that real wages (including taxes) in excess of labour productivity make marginal enterprises unprofitable so that they are to close down. It is possible to remedy the situation by Keynesian methods as long as the Trades Unions demand given

nominal wages; but certainly not if they insist on excessive real wages. This relationship has nothing to do with capitalism or socialism; it is almost physics.

In socialist Yugoslavia, there is inflation and unemployment just as in Britain. In the Soviet Union there is not. Not, however, because they have a better system, but because the police sees to it that workers accept the wages they get.

Your reader, writer, wonders what caused the tremendous acceleration of wage claims in recent years. To my mind, the explanation is largely to be found in the revival of Marxist illusions over the last 10 years or so, even among those who do not consider themselves Marxists, or know nothing of Marxism. People seem to believe that there is a "surplus" somewhere from which "the Government" can raise wages, investment and public expenditure simultaneously, and act accordingly.

Further, they expect that planning ("planning agreements") will replace markets and open new horizons, although, where it has been tried, planning turned out to be little more than an ineffective magic word.

It is important to repeat in week of the TUC Congress that it would be a catastrophe if the trade unionists reacted to the present level of unemployment by demanding the re-introduction of what is called "selective bargaining". The possible higher wages as a result would only make unemployment worse, since they have caused it in the first place. And "selective policies" such as direct investment, which will well create employment but at the price of lower real wages than they would be if real wages in line with physical output had been accepted in the first place.

Lyubo Sir,
Department of Political Economy,
University of Glasgow.

Trades unionists as directors

From Mrs. Mildred Wheatcroft.

Sir—Should not everyone concerned about the regeneration of British industry unite in opposing the Bullock Inquiry Plan as described in John Elliott's article (September 21)? I am sure that this six members of the Boards would be elected by trade unions, six by shareholders, and these "representatives" would nominate the remaining three, making up a Board of 15.

The idea that the Boards should be elected by the interests would seem likely to turn them into battlefields rather than into cohesive committees capable of directing a company's affairs in the most efficient way. Should they not be composed of the company's professionally trained managers together with some members of the work force (not of trade unions) and some outside directors who can advise on world financial and economic developments.

Is industry now to be operated to provide maximum work at the highest possible wages cost instead of the best product at the minimum price? No wonder the poor consumer is in despair and our products are no longer competitive internationally.

Mildred Wheatcroft,
80, Campden Hill Road, W.8.

Expensive water meters

From the General Manager and Engineer, Wrexham and East Denbighshire Water Company.

Sir—I was interested to read Ruth Spens' reply (August 31) to my letter of August 23. I do not think the doubtful pleasure of the privilege of having her water

measured would be sufficient inducement for her to move from New Romney to Wrexham!

Sir John Arbuthnot (chairman of the Folkestone and District Water Company) whose letter was published on the same day as mine (August 25) is quite right in saying that metering for most consumers of water would be uneconomical although he may not be quite accurate in suggesting that it would more than double the average water rate charged. It is worth pondering that water is so cheap that it is not economic to measure the quantity supplied to most consumers.

The economics of water metering are shown quite clearly when a separate and economic rent is made for the meter and when such rent includes for all the costs associated with metering. Thus, the quarterly cost in the Wrexham Company for a 1 inch meter is made up as follows:

Interest on capital cost of meter	0.14
Repair and changing	1.45
Reading	0.32
Depreciation, records, etc.	0.08
Quarterly rent for 1 inch meter	2.19

It is the company's practice, due to the nature of the water supply, to change the meters for repair every four years so, even if changing and repair were increased to six years and if electricity, gas and water meters were read by one man, as suggested, thus reducing the cost of service, it is worth pondering how long it would take to be reduced to a third due to bureaucratic overheads! The meter rent would still be £1.44 per quarter. Even this would be a very high percentage of the charge for water to most householders. Metering therefore will not be economic for all properties until the price of water is greatly increased. Furthermore, it must be appreciated that metering involves also an initial capital charge for the installation which would be the liability of the householder whilst metering is optional.

Since the basic charge for water by meter must be in step with the charge for water by rate (see Water Act 1973), I can see no good reason why a householder should not have the right to pay for his water in the same manner as an industrial consumer, if by being economical he can save sufficient water to more than pay for the meter rent.

The position of most householders in a nutshell, is that metering of water to private houses should be allowed, where economic, in the interest of saving water.

H. Seddon,
21, Egerton Street,
Wrexham,
Cheshire.

A shower is cheaper

From Mr. P. H. Heath-Saunders.

Sir—What the drought has taught us, if nothing else, is that the metering of water to households must be given a degree of priority. It is should then get away with the nonsense of the water rate based on the rateable value of the house. This would give us an opportunity of putting all meter readers into a separate organisation and using the existing gas and electricity meter readers to be taught to read one another's meters so that one man can read electric, gas and water meters at one and the same time. The savings on meter reading staff would be enormous. I think, and households could be encouraged to install showers and use them rather than waste 25 gallons a

Sun Alliance £5.26m. rises at half way

FIRST HALF 1976 profit of Sun Alliance and London Assurance expanded from £18.29m. to £23.55m. subject to tax of £1.1m. against £5.8m.

The interim dividend is lifted from 5p to 8.5p net per £1 share. Last year's total was 18.40p from profits of £35.58m.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interim or final and the sub-divisions shown below are based mainly on last year's timetable.

Company	1975	1976
Premium Inc.	1975	1976
Underwriting surplus	205,548	167,977
Fire, accident, and marine	52	2,073
Long-term	154	1,304
Investment Inc.	21,900	15,700
Other income	1,012	18,162
Total	23,555	35,582
Profit before tax	23,555	35,582
Taxation	1,100	5,600
Minorities	100	31
Attrib. shareholders	12,345	9,328

Company	1975	1976
Interim	1975	1976
Final	1975	1976
Dividend	1975	1976
Share	1975	1976

through at £87,737 compared with £84,205.

The company operates as manufacturers of metal smallwares for clothing and allied trades.

Setback for Danish Bacon

DUE TO extremely difficult trading conditions, pre-tax profit of Danish Bacon Company, for the 32 weeks to August 7, 1976, declined from £1.24m. to £0.8m. However, the directors say that the second half is unlikely to see a repeat of such poor trading and with the stronger market developing better results will follow.

The interim dividend per £1 share is held at 8.5p. Net last year's total was 6.75p from profits of £2.27m. The directors anticipate that an increased total will be paid for the current year.

Turnover for the 32 weeks advanced from £102.03m. to £115.17m. Tax for the period took £417,000 (£396,000) leaving the net balance down from £543,000 to £385,000.

BP's new subsidiary

British Petroleum has established a new subsidiary, Sonarmarine, to undertake underwater

offshore surveying, positioning, and detection.

The company has been formed from the marine survey unit of BP's research centre at Sunbury-on-Thames, Middlesex. The unit has been particularly successful in pipeline leak detection during the pre-commissioning testing of the group's Forties Field pipeline.

Sonarmarine will now offer the service on a commercial basis.

Dorada set for profit increase

TURNOVER of motor dealers, engineers, etc., Dorada Holdings, increased from £18.24m. to £23.6m. in the first half of 1976, and pre-tax profit advanced from £185,000 to £256,000.

Earnings per 25p share for the six months increased from 1.68p to 2.75p and the interim dividend is maintained at 1.6375p net. Last year's total was 3.78425p.

Present indications are that pre-tax profit for 1976 will exceed £432,000 for 1975, but this optimism must temper the least sale of the vehicle manufacturers are unable to deliver the required products against orders, says the chairman, Mr. T. Kenny.

Profits made from the sale of property in the first half of 1976 will be reflected in the annual accounts.

Sales of motor vehicles in the half year while not buoyant in unit terms were considerably better than for the same period last year. The main improvement was in the car market. The commercial sector is not yet showing any more than a marginal increase.

The directors are concerned about the availability of new vehicles from manufacturers. If supplies match orders received the current level of profit from the motor division should at least be maintained, says Mr. Kenny.

Profits of the engineering division continue to grow and this trend is continuing for the second half. The company's proportion of the "start-up" costs of the first company—£24,000—have been deducted from profits.

Company	1975	1976
Motor turnover	12,700	16,520
Engineering	1,840	1,482
Total turnover	14,540	18,002
Motor	1,000	1,370
Engineering	120	104
Property rentals	370	410
Total	1,490	1,884
Interest charges	314	313
Pre-tax profit	256	256
Provision for costs	133	107
Net profit	123	149

Phoenix up nearly £5m.

Australia, though much improved, is still showing a loss.

New long-term business (mainly life) writers showed new £60m assured up 44.2 per cent. to £525m.

6 months. Year 1976 1975 1973

Company	1975	1976
Investment	18,530	22,911
Underwriting loss	2,437	3,831
Long-term profit	335	726
Expenses	33	62
Profit before tax	12,278	12,222
Tax	1,824	2,548
Minorities	117	120
Net profit	9,337	9,554

NEW LONG-TERM BUSINESS

New sums assured £2.9 364.6 361.8

New annuities per annum 1.1 2.9 1.1

New annual prime 4.6 4.1 1.4

New single prime 1.2 1.0 1.5

Fire accident, marine and aviation. Overseas currency transactions have been converted at rates of exchange appropriate to the periods in question.

In converting U.S. dollar transactions for the six months to 30th June 1976 a rate of £1.75 has been used (£2.10 for the six months to 30th June 1975 and £2.02 for the year).

Cost of the interim dividend is £204,000 (£218,000).

Statement Page 33

Marston Thompson sales up

Current year sales of brewers, Marston, Thompson and Everhead, have continued to show a satisfactory trend, with some minor relaxations of price controls, profits for the year may show some modest increase, says the chairman, Sir Clifford Gohard.

As known pre-tax profit for the year to March 31, 1976, increased from £2.22m. to £2.77m., on sales up from £13.18m. to £17.31m.

The profit carried to reserve will be £276,000 more than last year, but with increased excise duty and other rising costs, additional working capital is needed in addition to finance required for commitments—£232,000 (£1,237,000) plus £543,000 (£237,000) authorised but not committed.

First half upsurge for Newbold

Sales for the first half of 1976 at Newbold and Burton Holdings rose from £2.7m. to £2.77m. and profit showed a sharp increase from £35,000 to £147,000 subject to tax of £78,000, compared with £18,000.

According to the directors, the prolonged exceptional summer weather may well affect the early demand and sales of autumn and winter footwears. Nevertheless, they believe that results for the year should be considerably better than 1975's £183,351.

The interim dividend per 25p share is up from 0.975p to 1.0725p net—last year's total was 2.275p.

Trade Indemnity

Premiums written on the three open underwriting accounts of Trade Indemnity Company in the first half of 1976 totalled £7,316,307, an increase of 17.9 per cent.

In 1974 underwriting account at June 30, 1975, after providing for all known claims, showed a credit balance of £1,198,000 (£1,386,000 on the 1973 account at the same date a year ago).

The 1975 underwriting account, to which £20.5m. was transferred from profit and loss account at the end of last year, showed at end-June a credit balance of £1,290,000 after making provision for all known claims. The credit balance on the 1974 account a year ago was £1,043,000.

The 1976 underwriting account, which will not be closed until the end of 1976, has started well.

Balance on the 1974 and 1975 underwriting accounts reflect the upward trend of business failures which began in mid-1974 and which still continues, albeit less steeply. At the moment, economic conditions seem likely to have a favourable influence on the progress of the 1976 underwriting account, the directors state.

The interim dividend is stepped up from 2.5p to 2.75p net per 25p share. Last year's total was £6,537.2p.

BSR surges ahead to £13m. at six months

PRE-TAX profits of BSR, manufacturers of record changers and playing mechanisms, for the six months to June 28, 1976, have leapt from £1.67m. to £13.06m., and are already ahead of last year's total of £10m.

The interim dividend is lifted to 0.822p (0.865125p) net per 10p share.

Sonarmarine will now offer the service on a commercial basis.

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Balance on the 1974 and 1975 underwriting accounts reflect the upward trend of business failures which began in mid-1974 and which still continues, albeit less steeply. At the moment, economic conditions seem likely to have a favourable influence on the progress of the 1976 underwriting account, the directors state.

The interim dividend is stepped up from 2.5p to 2.75p net per 25p share. Last year's total was £6,537.2p.

Revaluation of net current assets held overseas at the rates of exchange ruling at June 28, 1976, compared with those at December 27, 1975, resulted in a surplus of £1,206,452 (£554,378) and has been shown as an extraordinary item.

Demand for the products in sound reproduction continues at a satisfactory level from all major markets throughout the world, say the directors. The current order book for consumer products shows a marked improvement over the first six months and it is anticipated that this division will trade more profitably in the current period.

In 1975 dividends totalling 2.2587125p per share were paid. See Lex

appreciably, the directors state.

all of the improvement and more has occurred in the sound reproduction division as sales in consumer products show a sharp decline.

In addition to the beneficial effects of higher volume on profit margins in sound reproduction, sterling declined still further against most of the currencies in which its products are invoiced and this gain has been included in trading profits on the same basis as the previous year.

Consequently, trading profits have improved materially and despite the fall in demand for domestic appliances, consumer products continued to trade profitably.

Although turnover increased profitably.

Anglo American Industrial Corporation Limited

(Incorporated in the Republic of South Africa)

REPORT FOR THE HALF-YEAR ENDED 30TH JUNE 1976 AND DECLARATION OF INTERIM DIVIDEND NO. 25

The following are the unaudited profits of the corporation and its subsidiaries for the six months ended 30th June 1976, together with the comparative figures for the six months ended 30th June 1975 and the year ended 31st December 1975. These should be read in conjunction with the notes below:

	Half-year ended 30.6.76	Half-year ended 30.6.75	Year ended 31.12.75
Group profit before taxation	R000's 29,489	R000's 30,633	R000's 59,751
Deduct: Taxation and deferred taxation	10,337	10,828	23,763
Group profit after taxation	19,152	19,795	45,988
Less: Profit attributable to minority interest in subsidiary companies	716	2,234	5,080
Group profit attributable to Anglo American Industrial Corporation Limited	18,436	17,571	40,918
Cost of interim dividend No. 25 of 22.0 cents per share	5,822	5,821	—
Number of shares in issue	26,465,139	26,460,639	26,460,639
Earnings per share—cents	69.70	66.4	154.6
Dividends per share—cents	22.0	22.0	63.0

Notes:

1. The results for the six months ended 30th June 1976 are not comparable with those for the same period of 1975 in as much as:

(a) The results of Stafford Mayer Company South Africa Limited (Stafford Mayer) and South African Board Mills Limited (SABM) were included in the 1975 group results as from 1st May 1975. On 11th May 1976 the corporation announced that with effect from 1st January 1976 it had disposed of its entire holding in SABM to Mondi Paper Company Limited (Mondi) in exchange for 6.5 million ordinary shares in Mondi thereby increasing its interest in Mondi from 25.68 per cent to 35.25 per cent. The results to June 1976 consequently exclude any attributable earnings from SABM and no dividend in respect of the additional 6.5 million Mondi shares has been included in the corporation's dividend income, as any dividend in respect of the six months to 30th June 1976 would only accrue after that date.

(b) The results to June 1975 included those of Freight Services Holdings Limited (FSH). With effect from 1st July 1975 FSH merged with Aero Marine Investments Limited and Manica Holdings (Pty) Limited to form Aero Marine Freight Services Holdings Limited (AMFSH). Amic's results for the second half of 1975 included those of AMFSH. Although the corporation held only 49 per cent of the AMFSH group that group was a subsidiary by way of a joint holding company Redbury Holdings Limited (Redbury). By agreement with the other shareholder it was decided that Redbury should no longer be consolidated as a subsidiary of either company. Thus the 1976 results do not include any attributable earnings from AMFSH and no dividends have been included in Amic's dividend income as any dividend in respect of the six months to 30th June 1976 would only accrue after that date.

(c) The interest of Board International Limited in the Longyear group increased after 30th June 1975 from approximately 75 per cent to 100 per cent.

If the results to 30th June 1976 had been prepared on a comparable basis in respect of SABM and AMFSH the profit would have been lower by R1,108,000 or 4.3 cents per share. A comparable effect will pertain for the full year's results.

2. It should not be assumed that the results for the year ending 31st December 1976 will necessarily be proportionate to those for the first six months of the year because revenue from trading operations and investment income do not accrue evenly throughout the year.

3. The number of shares in issue at 30th June 1975 includes the shares allotted subsequent to that date on the acquisitions of Barritt's Industries Limited, Stafford Mayer and SABM. The earnings per share has been calculated on the earnings for the six month period to 30th June 1975.

4. The above figures exclude the following:

	Half-year ended 30.6.76	Half-year ended 30.6.75	Year ended 31.12.75
(a) Net surplus on realisation of investments	R000's 693	R000's —	R000's 822
(b) Provision against loans and amounts written off unlisted investments and goodwill, which are considered annually at the financial year end, less currency surplus	—	—	(785)

5. Particulars of the group's listed investments are as follows:

	At 30.6.76	At 30.6.75	At 31.12.75
Market value	R000's 55,693	R000's 59,222	R000's 56,152
Book value	46,368	48,226	47,577
Appreciation	9,325	10,996	8,575

6. Group commitments for capital expenditure at 30th June 1976 amounted to R8,233,000 (1975: R18,725,000).

7. The elimination of Amic's share premium account was confirmed by the Supreme Court of South Africa on 20th July 1976. This sum was transferred to non-distributable reserve.

8. On 13th February 1976, 4,500 shares were allotted and issued to participants in the Amic Share Incentive Scheme. There were no other issues during the six month period to 30th June 1976.

9. In a joint company announcement dated 18th August 1976, the boards of directors of Amic and Bruynseel Plywoods Limited (Bruyl) announced that agreement in principle had been reached whereby Amic would offer to acquire in terms of a scheme of arrangement, the 34 per cent of Bruyl not already held by the Amic group. 377,588 fully paid ordinary shares in Amic would be issued as consideration in the ratio of 11 Amic shares for every 100 fully paid ordinary shares previously held in Bruyl.

These new Amic shares would not qualify for dividend No. 25 declared today.

For and on behalf of the Board

G. W. H. Rely

W. G. Boustred | Directors

INTERIM DIVIDEND NO. 25

Notice is hereby given that dividend No. 25 of 22 cents a share (1975: 22 cents), being an interim dividend for the year ending 31st December 1976, has been declared payable to shareholders registered in the books of the corporation at the close of business on 24th September 1976.

The share transfer registers and registers of members will be closed from 25th September to 8th October 1976, both days inclusive, and warrants will be posted from the Johannesburg and United Kingdom offices of the transfer secretaries on or about 4th November 1976. Registered shareholders paid from the United Kingdom will receive the United Kingdom currency equivalent on 26th October 1976 of the rand value of their dividends (less appropriate taxes). Any such shareholders may, however, elect to be paid in South African currency provided that any such request is received at the offices of the corporation's transfer secretaries in Johannesburg or the United Kingdom on or before 24th September 1976.

The dividend is payable subject to conditions which can be inspected at the head and London offices of the corporation and also at the offices of the corporation's transfer secretaries in Johannesburg and the United Kingdom.

The effective rate of non-resident shareholders' tax is 15 per cent.

By order of the Board,

ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED

Transfer Secretaries:

Consolidated Share Registrars Limited,

32, Marshall Street,

Johannesburg 2001,

(P.O. Box 61051 Marshalltown 2107),

South Africa.

Charter Consolidated Limited,

P.O. Box 102,

Charter House,

Park Street,

Auckland, Kent,

TN24 8DQ.

8th September, 1976

On August 31st the Minister of Industry and Petroleum in Lebanon issued a decree purporting to authorise a committee of administrative custodians (The Committee) to conduct the business and operations of Mobil Oil Lebanon Inc., a Delaware corporation (The Company).

The Board of Directors of the Company hereby gives notice that neither the Company nor its shareholders have authorised the Committee to take any action in the name of or on behalf of Mobil Oil Lebanon Inc. Furthermore, the Company hereby disclaims and disavows on behalf of itself and all its affiliated companies all obligations and liabilities of any kind that may be incurred by the Committee in the name of or on behalf of Mobil Oil Lebanon Inc.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

French oil merger challenged

By Rupert Cornwell

PARIS, Sept. 8

THE SOCIALIST and Left-wing Radical parties today decided to carry before France's highest court the Council of State, their challenge to the legitimacy of this summer's merger between the ELF-ERAP oil group, 100 per cent. controlled by the State, and its 51 per cent. subsidiary Societe Nationale des Petroles d'Aquitaine.

ELF-Aquitaine, as the new entity is called, is 70 per cent. owned by the Government through the State-controlled holding company ERAP. However 19 per cent. of this interest has been deliberately hived off to a non-voting shareholder to give the group as private a character as possible.

It is precisely this aspect which angered the French Left. In its belief that the transfer of the operating ELF assets to Aquitaine amounts to a switch of public sector assets to private enterprise and thus to a denationalisation.

Not only is such a step in fact contradictory to the nationalisation programme laid out by the existing joint electoral platform of the Socialists and Communists parties here, but also—as the Left argues—in breach of Article 34 of the French Constitution. This stipulates that any such transfer be subject to Parliamentary approval. The merger in fact was ratified by official decree.

Reshuffle at Renault

By Our Own Correspondent

THE APPOINTMENT of M. Christian Baulieu as Labour Minister in the new French Government has led to a big management reorganisation at the top of the State-owned Renault car group, of which he was managing director and number two behind the president, M. Bernard Vernier-Palliez.

His replacement is M. Bernard Hanon, a former business graduate of Columbia University and 44 years of age, who had risen swiftly through the group to handle its car division since December 1975, a responsibility which he keeps despite his promotion.

Meanwhile M. Francois Zanotti, president of the Savlem truck subsidiary's supervisory board, becomes overall head of the industrial vehicle division, which also includes the Berliet lorry company acquired from Citroen almost two years ago.

M. Rene Meesmeacker, the Secretary-General, takes charge of the industrial enterprises side—a sector that has grown considerably in importance with the rapid diversification of France's largest single car manufacturer in recent years.

VMF-Stork runs into trouble

BY MICHAEL VAN OS

AMSTERDAM, Sept. 8



Jhr. F. O. J. Sickinghe, chairman of VMF-Stork.

VMF-STORK, Holland's largest industrial engineering group, disclosed here today that this year's results would be "substantially below" those of 1975 when the net profit was Fls.27.7m. A Board spokesman refused to say whether this would rule out the possibility of a loss. VMF-Stork has suffered setbacks at a number of subsidiaries, which were reorganisations being planned and it states that, in addition, the hoped-for cyclical recovery has not been felt by the group.

The company was originally aiming to raise profits this year, but in response to bourse speculation about the VMF-Stork setbacks, its shares have taken a beating on the Amsterdam stock exchange in the past few days.

To-day's interim statement shows first-half net profits slashed to Fls.2.1m. from Fls.12.5m. in the same 1975 period. Orders received in the first eight months of this year declined to Fls.1.12bn. from Fls.1.25bn. last year.

The company blamed the setbacks on higher depreciation and research and development costs, and fewer non-recurrent revenue items. Although a number of VMF-Stork subsidiaries main-

tained, or raised their contribution to corporate profits in the first half-year, there have been setbacks elsewhere. The Werkspoor diesel engine company in Amsterdam was hit, as reported earlier, by faulty

machinery design which has been dealt with. However, these setbacks have caused extra costs and to cover these an undisclosed provision has been drawn up of which half has been charged to the first period and the rest to the second half-year.

VMF noted that the diesel engines market share has been maintained, despite the strong decline in the market for seagoing ships. Partly in response to that development, the company has stepped up sales to electrical power stations, which had made certain unquantified initial losses unavoidable this year.

VMF-Stork also revealed today that it was to start studies on the necessity of restructuring four companies where some 1,400 people are employed. It cites changing market prospects for the products manufactured. The companies, located at Utrecht, Hengelo, Velsen and Sneek are mainly active in the fields of foundries and general light engineering. It had already announced it was reorganising the Bronswerk Company at Utrecht and Amersfoort.

It was announced at a trade union meeting in Amsterdam later this evening that, in view

of the generally difficult situation in the domestic investment metal goods industry, the unions and the VMF-Stork management may hold exploratory talks with the Government on assistance for this sector. The unions turned down any early restructuring plans by VMF.

VMF-Stork said in today's statement that a new problem seen in the markets made by the large shipyards into offshore and petrochemical installations, after the decline in shipbuilding, it issued a plea to the Dutch Government that, in restructuring the shipbuilding industry, it should consider the interests of companies active in the same markets as the shipyards. It also repeated its call to the Government for improved export credit facilities. "Those offered in Holland have long remained below what is offered to industry in the other industrial countries," it was added.

The company noted that the high interest levels and wage and social costs, continuing inflation, political and economic uncertainties at home and abroad formed serious handicaps for a world company. For investment goods industry was hardly showing signs of recovery.

Sears Roebuck rejects the doubts, repeats forecast

BY OUR NEW YORK STAFF

NEW YORK, Sept. 8

THE WORLD'S largest retailer, Sears Roebuck and Co., projects continuing steady sales growth throughout the spring months of 1977, despite concern among economists that a drop in chain-store sales, which began last May, reflected the more general trend.

Chairman Arthur Wood has gone so far as to repeat a Sears forecast, the overall industry sales of general merchandise would increase by 8 to 9 per cent. in the second half of this year, and that Sears itself would keep pace with the increase.

As specific reasons for his optimism, Mr. Wood cited the fact that most of Sears' business with regard to appliances and home furnishings—which

account for over half of the general merchandise business—through the end of July were up only 3.7 per cent.

Though he would not discuss earnings, Mr. Wood expected that Sears would "maintain the improving trend" established so far this year—profit rose to \$222.1m. in the first fiscal half (ended July 31), from the \$163.7m. of a year previous.

Sales were up 9 per cent. from \$6.7bn. to \$6.15bn. The Sears-owned Allstate Insurance Company, one of the country's major underwriters, will also contribute to this year's profit. Allstate, though still taking a sizable loss for the year, is hoping to break even by the fourth quarter.

Amfas raises interim payment

BY MICHAEL VAN OS

AMSTERDAM, Sept. 8

AMFAS, a major Dutch insurance company, has reported here today that its first-half net profits for 1976 were virtually unchanged at Fls.185m. (Fls.184m.), but a dividend to Fls.22 per ordinary share of Fls.20, Fls.0.20 more than last year.

In a statement published today, the company maintains its forecast made in May which was that this year's profits were expected to be up at least 10 per cent. on the 1975 profits of Fls.222.2m. At Fls.12.6m., Amfas first-half net profits were up at least 11 per cent. on the same period last year, with the profit per share rising to Fls.7.91 (Fls.7.10).

The company said that its turnover amounted to Fls.442m.,

in January-June, which is 9.2 per cent. more than last year. Gross premiums life insurance for the first half of this year were virtually unchanged at Fls.6.8m. as a result of the company's cautious reinsurance policy, it added.

Amfas noted in its statement that growth had been adversely affected by the expected strong decline of once-only premiums for short-running individual life insurances.

The statement added that as a result of government measures and competitive pressures, accident insurance premiums could not sufficiently follow the strong rise in accident payments, which was why the accident insurance

percentage had risen further. Also the January storm affected this, though damage for own policyholders remained limited to Fls.0.8m.

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percentage had risen further. Also the January storm affected this, though damage for own policyholders remained limited to Fls.0.8m.

Danish shares depressed

By Hilary Barnes

COPENHAGEN, Sept. 8. THE DANISH share market recovered today after experiencing one of its sharpest declines since August 20 when the Government put through its economic stabilisation programme. The all-share index fell from 127.8 on August 20 to 108.2 today, when the index recovered by 2.8 points.

Unexpectedly tight liquidity in the banking sector is one reason for the depressed share market, but brokers say that investors also consider the stabilisation measures unsatisfactory.

They are especially worried by a serious split between the ruling Social Democratic Party and the trade unions.

Bank shares are particularly depressed, with the index at 67.2. Bank earnings have been adversely affected by 1975 law preventing the banks from widening interest rate margins on deposits and advances. At the same time, falling bond prices mean that their final net results in 1976 after adjustments will be small.

Losses on securities will be small, all show losses or very small profits, unless the bond market unexpectedly recovers in the final months of the year.

AUSTRALIAN COMPANIES

Insurance recovery trend

BY JAMES FORTH

SYDNEY, Sept. 8

TWO INSURANCE groups—Mercantile Mutual Insurance Company and Commercial Union Assurance Co. of Australia—today reported sharp profit recoveries in 1975-76. They are the first major insurance companies to report for the year.

Mercantile Mutual boosted earnings from \$A108,000 to a record \$A37,7m. A major factor was a reduction in underwriting losses after heavy losses on general insurance in 1974-75. The result compares with the previous peak of \$A2.6m. and confirms the forecast by the directors earlier this year when they were fighting off a takeover bid from Australia's major finance group, Australian Guarantee Corporation.

The results were due to higher premium income and the incidence of claims levelling off. Expenditure ratios also declined.

The life company had a record year, bolstered by super-annuation premiums, while investment income jumped from \$A4.1m. to \$A6.1m. The company placed heavier emphasis on fixed interest stock than equities. Mercantile earned \$A548,000 from underwriting compared with a \$A3.7m. loss in 1974-75.

Dividend is held at 16 cents a share on capital increased during the year by a one for four scrip issue and covered by earnings of 33.8 cents a share.

CUA reported a profit of \$A20,000, compared with a \$A1.3m. loss in the previous year, a deficit which forced the company to cut back sharply in its operations.

A reduction in car insurance operations, an improvement in the May underwriting business and a jump in investment income were the main factors in the recovery.

The volume of premiums written after reinsurance dipped from \$A4m. to \$A78m., reflecting a reduction in workers' compensation and motor business. Underwriting loss before reinsurance recovered from the \$A24.3 to \$A13.7m., but recoveries dropped to \$A15.6m. to \$A4m., resulting in the net underwriting loss actually moving up from \$A3.7m. to \$A8.6m. Investment income increased from \$A7.3m. to \$A9.9m. Despite the return to profits CUA has decided to once again pass dividends.

The increase achieved on a revenue gain of only 9 per cent. from \$A102m. to \$A110m.

The improvement came from the group's non-pastoral activities. The traditional rights, following a 33 per cent. drop in Australia fell 10 per cent. in the year, and while

Elder increased its share of the wool sold, the actual volume of wool declined. Lower prices for sheep and cattle hit commission earnings despite a considerable increase in the number involved, while operating costs continued to increase.

The directors said business operating outside the rural sector was in excellent profit and performance, particularly in industrial merchandise, including steel and metal distribution, merchant banking, finance, real estate and car manufacture.

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Elder has continued to diversify from the rural industry. In recent months it has increased its controlling stake in Lensworth Finance, bought into foreign exchange group Alceas Mitchell, acquired some of the international trading activities of the troubled Gollin Holdings and has bid for woolbroker, Pitt Son and Badger.

If the group is to show any improvement in the current year, it is clear the Board expect it will again from the non-rural activities. The directors said the prevailing widespread drought in many parts of the country as well as the low livestock prices made it unlikely trading operations of the pastoral house would show any improvement in 1976-1977.

The result returns 21 cents a share compared with 17 cents in the previous year.

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This transaction having been completed, this announcement appears as a matter of record only.

September 7, 1976

1,391,897 Shares



TESORO PETROLEUM CORPORATION

Common Stock

The issuer received gross proceeds of approximately \$19,208,000 upon exercise of common stock purchase Warrants which expired August 24, 1976

The undersigned initiated this transaction, facilitated the exercise of the Warrants by acting as Dealer Manager for a group of securities dealers who solicited exercises of the Warrants, purchased Warrants in the open market, and distributed Shares of Common Stock in connection therewith.

E. F. Hutton & Company Inc.

SOUTH AFRICAN COMPANIES

Messina takes out Premier minority

BY RICHARD ROLFE IN JOHANNESBURG

THE MINING and industrial group Messina, which drew its bulk of its profits last year from its heavy engineering and motor activities despite the long-standing investment in copper, has completed arrangements for acquisition of the shares it does not own in its 70 per cent. controlled subsidiary Premier Metal. Outside shareholders, excluding Clark Equipment of the U.S., which holds 17 per cent. of Premier, and which holds the franchise for various products, are to be offered 235 cents per share in line with the market price and the same as the tag on the R1.8m. rights issue arranged for Premier last year.

The documents in connection with the Scheme of Arrangement between Premier and Messina record that Premier's borrowings have risen above what is allowed by the Articles of Association and that about R1.3m. has been made available from Messina in additional working capital. In addition, Premier's earnings are expected to fall from R1m. to R0.7m. in the current year, partly reflecting the downturn in the business cycle which has hit its earthmoving and materials handling business. The fall is from 7 cents to 5.5 cents per Messina share on full consolidation of Premier but allowing for continuing Clark interest.

Rumours of a liquidity crunch in Johannesburg appear unfounded, however, as Premier's shortage of funds is due to its earlier rescue of the AFMEC plant hire group which was one of Premier's biggest

customers but faced insolvency a couple of months ago due to over-expansion. Messina has injected R1.3m. into the group via Premier of which R0.5m. was the purchase consideration and R0.8m. additional working capital.

AFMEC is expected to break even next year and its assessed pre-tax profits of R2m. will form a useful offset in Messina's accounts while its gross assets amount to about R6.5m. Its illiquidity developed through massive expansion of its business last year when it bought 60 tractors and crane-mounted cranes for big infrastructure projects and the documents say, Premier had sold a number of cranes to the group "which had been financed with recourse to Premier." Messina itself appears to have reasonably liquid despite the AFMEC funding with the copper side having recovered and a surprisingly good performance so far this year from its Datsun car subsidiary.

Big lift at Mitchell

MITCHELL COTTS South Africa, 80 per cent. owned by the U.K. Premier, reported a big lift in profits for the year ended June 30 which parallels the good advance noted at the half way stage. Profit before interest and associated profits the upshot is Premier's profit up from R8.5m. to R14.1m. At the net level this translates to a rise from R6m. to R8.4m.

SELECTED EURODOLLAR BOND PRICES

STRAIGHTS		Mid	Offer	CONVERTIBLES		Mid	Offer
American Express 1938	1024	101	100	American Express 4 1/2%	97	94	93
Australian 1938	1024	101	100	Bank of Tokyo 5 1/2%	101	100	99
Bowater 1938	1016	100	99	Beck's Food 4 1/2%	102	101	100
Canada 1938	1016	100	99	Beck's Food 4 1/2%	102	101	100
CNE 5 1/2% 1938	1001	101	100	Beck's Food 4 1/2%	102	101	100
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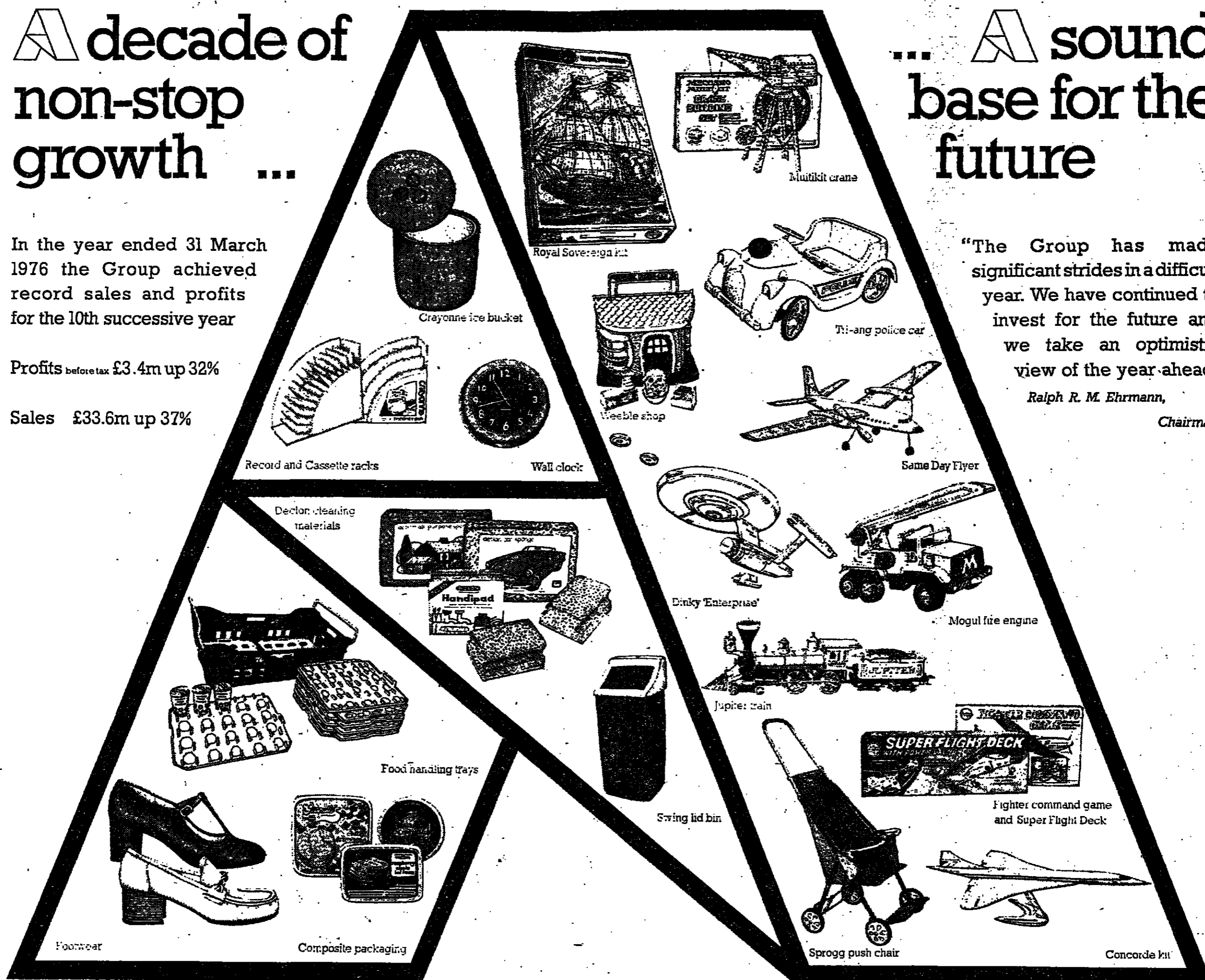
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مكاتب الأصيل

8th September 1976

BOOKS

Men of letters

BY C. P. SNOW

The Autobiography of Arthur Ransome edited with Prologue and Epilogue by Rupert Hart-Davis. Jonathan Cape, £5.95, 386 pages

A. P. Herbert by Reginald Pound. Michael Joseph, £7.25, 312 pages

Unless one reads Arthur Ransome's autobiography with some gentle suspicion, it might seem that until he was in his thirties he was both innocent and excessively inept. The book is written with great modesty and a serene wonder that in the end life turned more radiant for him than he deserved or could conceivably have expected. Most of that was genuine, not quite all.

He certainly was innocent, or unaware of danger, when most men would have known otherwise. At the age of twenty-five he was dragged into marrying a woman who would have been a splendid histrionic character in fiction and ludicrously destructive in the noisy flesh. He wrote a life of Oscar Wilde, which in 1911—he was then twenty-six—was a silly thing to do. It immediately produced a libel suit from Lord Alfred Douglas, as usual as stupidly unprovoked as any man of his time.

Ransome genuinely was, and even more thought of himself as being, a classical example of a late developer. He had had a school career of maximum dimness. He had scraped a living in publishers' offices and on the fringes of journalism, very much easier in the Edwardian epoch than now. All he was certain of was that he wanted to write. Write what? He didn't know. He made plenty of false starts. It was the kind of vague

hope that has corrupted a good many lives. He wrote: "I was now twenty-nine, still hankering after the writing of stories." Nevertheless, somewhere within himself he was aware of some capabilities. He was nothing like as bumbling as he looked. He realised that people liked him. He could get on to easy human terms with all sorts of human beings. Class meant nothing to him, nor did race. All that was valuable when, by curious chances, he found himself, almost absentmindedly, in the middle of the Russian revolution. He wasn't by any standard worldly, but he could acquire quickly most of the practical arts. He loved making himself a first-class fisherman and sailor of small boats. All that proved useful equipment when he turned to writing his children's books. Like a good many middle-class Englishmen of his period, he was closer to the soil than his counterpart would be now.

His father was a professor of history at the Yorkshire College in Leeds, the precursor of Leeds University. They hadn't much money, but his father possessed a countryman's skills, and do, it immediately produced a libel suit from Lord Alfred Douglas, as usual as stupidly unprovoked as any man of his time.

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of Russian folk tales. He learnt Russian (typically, he says that he was a bad linguist, but his Russian proved effective and probably attractive). The year 1914 when he was 30, found him drifting about Russia, and that led him into the chief adventures, and the chief private happinesses of his life. He got commissions from the Daily News and the Observer, became an off-beat correspondent.

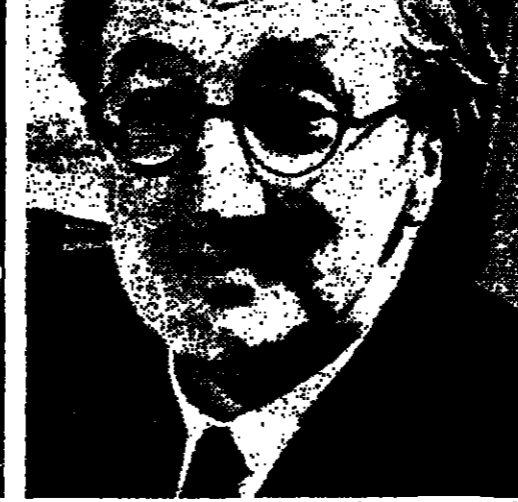
His health was usually bad, but he was resilient, resilient enough to live into his eighties. He was on the spot for the February revolution, and more than on the spot for October, since he fell in love with Trotsky's secretary, Yevgenia. She was one of those Russian women who would follow their man anywhere—and through poverty, illness, danger, she did just that. She wasn't political, nor was Ransome. But he had had a taste of passion, which often smells the truth where politicians don't. He was much wiser about the course of the revolution in Russia than the professional students of politics. Trusted as a human being, meeting in their practical (but not their psychological) aspects, those books have left a nice shadow on greater works such as *High Wind in Jamaica* and *Lord of the Flies*. A good life, and a good deepened man.

A. P. Herbert was born only six years after Ransome and they must have had acquaintances in common. They couldn't, though, have been much more different, except that their fathers were both middle-class professional men, not well off, neither of them earning more than six hundred a year or so. However, somehow Herbert was educated at Winchester, where he was unlike Ransome, at Rugby, something of a star. Exhibition to New College, First in Law. Slim volumes of verse, showing unusual verbal facility.

After years of living on the Baltic, he and Yevgenia, at last able to marry, came to England. He was offered a top position on *The Guardian*, but with Yevgenia willing and eager to stand more or less on her own, he decided. He was finally going to write those books. That was how the now famous children's books came to be written—those original pictures of children in



Arthur Ransome and A. P. Herbert—two popular English authors whose lives are the subject of books reviewed to-day



their autonomy, doing the things he himself enjoyed, sailing and the rest, living their free lives. In their practical (but not their psychological) aspects, those books have left a nice shadow on greater works such as *High Wind in Jamaica* and *Lord of the Flies*. A good life, and a good deepened man.

Then he had an arduous war in the Royal Naval division, which dragged out of him by far his best book, *The Secret Battle*. When he wrote that, for the only time in his life, public or private, he gave something of himself away. This cheerful, lively, often exhibitionist man was abnormally self-contained. Reginald Pound, whose A. P. Herbert appears on Monday, has written fine biographies, but here his subject has baffled him. It does seem that almost nothing is known, or even ascertainable, of the private A. P. Herbert. Highly convivial family life: undisturbed marriage; mastery of humorous verse of luminary of the private A. P. Herbert. Punch: champion of mildly unpopular causes, abortion law reform, divorce law reform, public lending right, the use of his beloved London river.

Where was the inner consistency? In most ways, he liked the world as he saw it (Ransome was much more detached), the world of decent honourable conservative Englishmen. He acted as though the world was going on for ever. When he was in Parliament, he didn't quarrel with his party on any major issue. He accepted that they were all good chaps and all likely to be right. He wasn't a Churchill man until Churchill came into power.

On the other hand, Herbert was prepared to make a nuisance of himself, and use his considerable verbal gifts and his even more considerable persistence about the idiosyncratic fringe causes which he took so much to heart. Was he really more mysterious than Ransome? Or was he exactly as he appears?

Violet times

BY ANTHONY CURTIS

Violet Trefusis: Life and Letters by Philippe Julian and John Phillips. Hamish Hamilton, £5.75, 244 pages

Violet Trefusis was born with a silver spoon in her mouth that had the royal crest on it. Her mother Alice Keppel was mistress en titre to Edward VII. But it seems unlikely that Edward was Violet's father. However, the enormous money handed to her, albeit a leaning tower over her childhood, she called him "King" and they played a game together which consisted of little Violet sliding non-battered toast down his trousers followed by "King" sliding a piece down the other leg to Violet's.

Now if Mama, a woman of great tact and social skill (as she would need to be), had captivated as imperious, omnipotent a lover as that, how can you, when you grow up, go one better? Violet, who had a curious genius for her own, came up with the answer: she fell passionately in love with Vita Sackville-West. The story of that love-affair from Vita's side was told by her son Nigel Nicolson with the help of Vita's diary in *Portrait of a Marriage*. The present book, *Violet Trefusis: Life and Letters*, puts the great affair into perspective as part of Violet's whole life.

It is unfolded by Philippe Julian, discerning chronicler of the Edwardian era, and his account is followed by a selection of her own letters to Vita, and some of Vita's to her (though most of these were burnt by Violet's husband, Denis Trefusis). After the two hands, Harold Nicolson and Denis, had succeeded in separating their wives from each other, the Trefusises went to live in Paris. Denis became interested in Russia and Violet wrote books and became a dazzling presence in a French world of gossip, malice, elegance, extravagance, and love of music. It included Princess Edmond de Polignac, born Winaretta Singer, the sewing machine heiress who was a friend of Robert de Montesquiou (the model for Charles) and Charles Haas (the model for Swann).

Eventually Violet met Proust at a luncheon party and he asked her if she had ever heard of a place eight kilometres from Paris called Saint-Loup de Naud which had given him the name for a character in his novel. Violet went there at once, fell in love with it, and established herself there in a magnificent house in addition to her *salon* at Neuilly. She entertained a legendary galaxy of guests in both these places. M. Julian writes knowingly about all of them, stripping away their charm often to show a heartless streak, as when Montesquiou announced to the assembled glittering throng at the Princess's that they



Vita Sackville-West and Violet Trefusis in Paris 1919, a scene by Violet from the book reviewed here

were all going to eat off silver machines. After the Fall of France, Violet returned to England for the war. She tried to re-establish relations with Vita, now married, as it were, in her garden at Southampton. And we read in the surviving letters, edited by Mr. Phillips, what self-control and awareness Vita fended her off: "You, the unexploded bomb to me, don't want you to explode, don't want you to disrupt my life."

Both authors of the book, Violet in her somewhat do later years and they clearly have her memory in great affection. An indication of where she is from her reaction to a telegram which arrived while M. Julian was with her, from "David" (say he would be arriving tomorrow). She assumed it was from the Duke of Windsor, and in the event it turned out to have been from the art critic David Carr.

Peake form

Mervyn Peake by John Watney. Michael Joseph, £5.50, 256 pages

John Watney has produced a marvellously coherent and sensitive whole from the mented life of Mervyn Peake. The facts are his main concern but he makes some most interesting suggestions of influences. Peake's literary imagination, for example, Gormenghast, where Peake's father was a surgeon doctor, partly by an absurd protocol and idiosyncratic staff of a local boarding school. The young Peake was to be painter, simply: writing always followed later, although his "novel" was written at age 17. The main artistic effort of his life is in these connected days as when Montesquiou announced to the assembled glittering throng at the Princess's that they

ISOBEL MURPHY

Inflation how and why

BY SAMUEL BRITTON

Inflation by John Flemming. Oxford University Press, £2.25 (Paperback: £1.40), 136 pages

This is almost certainly the best available guide to economic thinking on inflation, and is likely to remain so for some years to come. And not only on inflation, but on many related subjects such as unemployment, exchange rate, indexation, some aspects of investment and economic expectations. If it has a fault, it is that it is too short. But this is perhaps a welcome fault and it is achieved without the use of mathematics in the main text. Mr. Flemming combines a highly sophisticated awareness of how things actually happen—the dust-jacket does not mention that as a college bursar he has first-hand experience of financial transactions—with an ease in handling abstract logical relations.

This is primarily a book for the reader who wants to make up his own mind. I am not sure that there is really as much "scope for agreement" on the problems discussed as Mr. Flemming suggests. People do have fundamentally different pictures of the world. What the author is presenting is a framework of ideas which all could use. For instance, Mr. Flemming explains the possible role of an incomes policy as a temporary complement to other anti-inflationary policies, together with the dangers and risks of price and wage controls. (Some plausible arithmetic shows how near jump-sum wage increases for all can increase an unemployment rate by 11 per cent.) My own conclusion is that in most cases an "incomes policy"

will work perversely, the exception, if any, cannot be known in advance and for that reason wage and price controls should be opposed with all possible vigour. Inflation supports neither this conclusion nor its opposite, but shows the judgments which would have to be made to come to either and thus furnishes a set of ground rules for the debate.

The first essential in discussing inflation is to remove the confusion between relative prices and the general price level. "What determines the price of pearls in terms of apples?" is a different question from "What determines the prices of both in terms of money?" The latter cannot be discussed without bringing in the quantity of money and tastes affecting money holding. But there is more to inflation than Governmental ignorance of simple monetary logic. Wages push or pull price rises can affect the supply side in the short run and influence the amount of money Governments permit to be created in the longer term. On the demand side the desire to hold money falls off during run-away inflation (as in Germany after World War 1 when velocity increased 18 times) and itself becomes an inflationary factor.

The most respectable reason for wanting to increase monetary demand is the hope that it will increase output and employment instead of—or more realistically as well as—prices. There is, however, a natural or normal rate of unemployment depending on the rate of change of pattern of employment, the movement of relative wages and the responsiveness of workers to differentials and opportunities. The

normal rate of unemployment is determined not only by the pace of structural change and ease of retraining and mobility (impeded by housing policy) but the costs of not working. There has been a world wide rise in the ratio of benefit to normal income, and in addition a decline in the Puritan ethic which prevented people making the most of the welfare system. If the "normal" rate of unemployment has risen for this or other reasons, and governments are not fully aware of the fact, their attempts to stimulate demand to "full employment" levels are likely to lead not just to a rising, but to an accelerating price level by processes which Mr. Flemming explains in more detail than monetarists usually do. The process can be short-circuited by a fall in the exchange rate which will raise import prices, straight across even when monetary expansion is merely feared and has not yet happened. In a sense the effect will have preceded the cause.

If money wages (or other rate of change) are inflexible downwards, it may sometimes be wise for the authorities to respond to a shock, such as an oil price increase, or a wage explosion by some monetary expansion, to avert an unemployment crisis, even at the cost of some extra inflation. But the danger of such responses is that they will lead to a "change of gear" in inflationary expectations, a concept which is probably the chief theoretical innovation of the book. If real and not just money wages are inflexible in the face of an adverse change, then it seems to follow that there is no way of avoiding a sharp rise in unemployment except by foreign

borrowing, which has its own problems.

The role of the unions is treated in a characteristically subtle way. In contrast to the most mechanistic monetarists, Mr. Flemming recognises that union leaders may be "sluggish," "wake up" or become more militant, which in turn will cause monetary policy to become more inflationary and unemployment to rise. But these events on the union front are themselves likely to reflect the monetary history, perhaps the long distant history, of the inflationary process.

The most practically relevant chapters are those dealing with the adverse effects of inflation. These arise mainly from failure to escalate the tax system and inflation, which may arise with the square of the rate of inflation. The discussion can be taken both as a warning against inflation in the first place and as an outline or guide to business and personal survival once inflation is rampant.

The author ends with a reflection on the political cycle. Eventually electors will learn that (faster) inflation follows the pre-election boom; and a political contest about who can best slow down inflation will develop, which may itself arise as a consequence of deleterious as traditional "growth" and employment auction.

A possible conclusion is that it may be better to live with, and stabilise the rate of inflation, we have than to try to others which may itself be a consequence of deleterious as traditional "growth" and employment auction.

This is enlarged upon with insight and exactness and is obviously interesting to the outside. What is less interesting and I think would scarcely be borne in a novel about heterosexual affairs is the long catalogue of lovers and love affairs, and the repetitive descriptions of meetings, disappointments, regrets and the rest.

The *Survey* Cat shows Andrew Sinclair's sure touch with the macabre, the outside fantasy within a framework of the familiar. Cunningly escaped from a private zoo, an enormous and seemingly unkillable black panther stalks the woods by the Hog's Back, rending its victims with ferocious violence—people and animals, a thousand chickens, even a Mercedes, Peter Gwynn, MPH, is dying of cancer and longing for a son to inherit the estate now cramped on all sides by suburbia; and it is on his land, as he waits for death, that the Cat does his fearful, prowling, till it becomes a duel to the death between them, with the butler-gamekeeper-huntsman acting as catalyst, go-between, supporter and sexual rival.

Asquith's way

BY HUMPHRY BERKELEY

Asquith by Stephen Koss. Allen Lane, £5.95, 310 pages

Of Asquith in his heyday as Prime Minister between 1908 and 1914 Professor Koss writes: "With the profusion of crises that beset him, his most remarkable achievement was to weather them all. The problems that confronted him were as numerous as the heads of the Hydra and as persistent: the prolonged struggle over the People's Budget of 1909; the campaign to curb the House of Lords; the emotive issue of women's suffrage; strife within the Cabinet and the party over naval estimates; the eruption of labour troubles; the Marconi scandal of 1912 in which three ministers and the Chief Whip were implicated; Irish disorders and the Ulster stalemate; recurrent international tensions; and capping them all, the outbreak of the European war."

In the light of his considerable feat what went wrong two years later when in 1916 Asquith was ousted from power for ever? The most obvious answer was his inability to change his life style, to change his habits, to change the matters of the utmost secrecy to Venetia Stanley; the nightly dinner parties with too much alcohol consumed followed by bridge and the leisurely country weekends. All these are fully described by Professor Koss who quotes Lytton Strachey's description of Asquith in May 1916 "He seemed much larger than he did when I last saw him (just two years ago) a fleshy, sanguine, wine-bibbing medieval Abbot of a personage—a gluttonous Party"

lecherous, cynical old fellow—ought."

Asquith was, by 1916, no match for the boundless ambition of Lloyd George, the endemic cannibalism of the Conservative Party, and the mercurial prescience of the German war machine. When ousted from power he lacked the will to oppose Lloyd George and his largely Conservative Cabinet. Lloyd George, Asquith by issuing a coupon of support to all Liberals and Conservatives who had backed him during the war, in the 1918 General Election.

335 Conservatives were elected and 133 Lloyd George Liberals were returned and he himself, just his seat. Four years later the Conservatives rounded on Lloyd George and reduced his parliamentary support after the 1922 election to 53.

For a brief period Asquith and Lloyd George came together as two former Prime Ministers. Leader (from the Lords) and Deputy Leader of a party with less than 50 MPs. They had destroyed each other and their bitter personal feud had all but extinguished the Liberal Party. This sad and sometimes tortuous saga is recorded in meticulous detail by Professor Koss whose excellent biography defects: the temptation to quote too often from the earlier one by Roy Jenkins, in an apparent attempt to display greater detachment, and the failure of an outsider to fathom the working nature of the Conservative Party.

Fiction

When the past takes its revenge upon the present

BY ISABEL QUIGLY

Cavare by Godfrey Smith Hodder and Stoughton, £4.15, 175 pages

In The Purely Pagan Sense by John Lehmann, Blond and Briggs, £3.95, 255 pages

The Survey Cat by Andrew Sinclair, Michael Joseph, £3.95, 154 pages

Rising by R. C. Hutchinson, Michael Joseph, £3.00, 359 pages

A Cast of Thousands by Philip Oakes, Gollancz, £4.40, 191 pages

Still Waters by Stanley Middleton, Hutchinson, £4.25, 243 pages

Godfrey Smith's *Cavare*, author has to a high degree the novelist's title, is the story-teller's capacity for taking you by the hand and drawing you inside his world—one you not only believe in but actually

enjoy and come to feel a part of.

The plot includes a mystery, psychological as well as physical. Why did the splendid, Finnish-born Leila defect to Russia, while loving Ben and telling him to trust her? Her parents, exiles to England, take the time to tell us. It is a big house where Ben's grandfather has for years been bailing to a dislikable upper-class pair; father a world-famous physicist, mother a world-famous pianist, charmingly Chekovian in their acceptance of everyone around them as members of the one household, and ready to welcome Ben as a prospective son-in-law.

The action shunts between the present, when Western intelligence wants to know what Leila's up to, and the past of Ben's schooldays and time at Oxford; and the people, not just physically familiar but familiar as presences and personalities, are all so recognisable you feel you have spent the time in their company. And while there's sharp comment at times there's a basic sense of the goodness and trustworthiness and general worldliness of those you love, even of the general run of mankind, as if betrayal and even bitchiness were things remote from the central reality of things. Its caviare interludes notwithstanding, this is a homely story in the best sense of the word, in that it brings one a sense of home, a homecoming, a centre and social roots.

In *The Purely Pagan Sense*, John Lehmann's second novel, appearing many years after his first, reads almost like a documentary, so informative is it, so exact its social milieu, so clearly are names named, and so full of discussion and reasoning is it about this and that aspect of its subject. This subject is homo-

sexuality—or the sexual life, from childhood to late middle age, its narrator, Jack Marlowe, a successful writer who recalls the innumerable encounters and love affairs with boys and young men (and one, near to the end, with a woman who has filled his life). It is fairly explicit, in a way that would hardly raise an eyebrow if it were dealing with heterosexual affairs, and interesting above all about the social set-up of the homosexual world, a world-within-a-world where the usual affair is that of an educated man with a working-class boy.

This is enlarged upon with insight and exactness and is obviously interesting to the outside. What is less interesting and I think would scarcely be borne in a novel about heterosexual affairs is the long catalogue of lovers and love affairs, and the repetitive descriptions of meetings, disappointments, regrets and the rest.

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What counts most is the atmosphere of terror and outrage, the physical horror, fear, stench, and the final talking of the monster whose gigantic skin hangs at last, for years, in the parish church to collect funds for the roof.

"After these words," writes R. C. Hutchinson put down his pen to greet some friends, and later that day he died of a heart attack. So ended five years' work on his most ambitious and considered novel, a long book he had checked and rewritten as he went along, so that it was ready for publication except for the final chapter, an incident which Mrs. Hutchinson is able to give us from his notes.

An impressive novel, large-scale, slow-moving, sonorous, with a strong, occasionally archaic style and a moving use of landscape and the unfamiliar patterns of life in a feudal South America early this century. It is the story of a soldier of fortune who, in his rich cousins' employment, sets off to put down the saboteurs attacking their railway line; and is brought round by the near-miraculous intervention of a man he thought he had long ago killed to the realisation that love counts more than power or strength.

A *Cast of Thousands* seems a slight novel beside, but its basic idea is hardly flimsy: it is that of illusion and reality. James Sale is a film critic devoted wholly to filmgoing, to the mystique and mythology of the cinema, possessed from childhood by the stars, the atmosphere, the enormity of it all. He is lived metaphorically, in cinematic terms. He falls in love because the girl looks like a film star, his composite ideal from cinema, and meeting her is the answer to every dream, the fulfilment of expectation. "The

scenario was perfect, thought Sale, a film of a film, a microcosm of a world within a world."

Philip Oakes gets uncannily inside the weird world of the movie-buffs but the action doesn't really match the interest of the theme (which Pirandello, something of a film fan himself, surely wouldn't have sneezed at); being about Sale's abandonment of his suburban dream ("Minverland") for a plunge, for a few weeks, into Technicolor depravity.

For years Stanley Middleton has been writing with steady concentration about people in ordinary circumstances: about family relationships and upheavals, meetings and partings, bereavements, illnesses, marriages, social life at a modest level of intensity and interest, people observed with almost disconcerting care as they go about their daily lives, without irony on the one hand or tenderness on the other, but dead earnest, dead straight. This is realism raised to an art, at others rather ploddingly pedestrian; but what looks like the slice-of-life technique is, in fact, carefully selective, picking its moments and its adjectives, even its weather and atmosphere, with the greatest deftness.

Holdings, his Booker prize-winner, with its action circumscribed by time and space, with its particular occasion or group of occasions, probably showed Middleton at his best. *Still Waters*, about the middle-aged couples wanders further in time and space and loses power in doing so; as time passes, interest flags for the close scrutiny of moments can hardly be maintained on so wide a space, for so long a stretch of time. Yet Mr. Middleton has far greater reserves to draw upon than the other novelists I have reviewed this week.

The world-wide bestseller, now in paperback

THE SEVEN SISTERS

The Great Oil Companies and the world they made

By Anthony Sampson author of THE NEW ANATOMY OF BRITAIN and THE SOVEREIGN STATE OF ITT

"Without exaggeration a brilliant achievement... at once a captivating story and an intellectual analysis of oil... To my mind, no critic of the industry will retain credibility who does not read it."

Business Week

Coronet Books

Hodder & Stoughton

U.K. ECONOMIC INDICATORS

	1976				1975			
General	Aug.	July	June	Aug.	July	June	May	
Unemployment ('000s)	1,501.9	1,463.4	1,322.6	1,280.3	1,066.1	1,025.1	987.1	
Unfilled vacancies ('000s)	126.0	125.1	121.0	118.4	125.0	124.0	123.0	
Current reserves (£bn.)	5.629	5.570	5.512	5.454	5.392	5.334	5.276	
Bank advances (£bn.)	15.100	15.513	14.466	14.064	14.064	14.064	14.064	
	1976				1975			
	July	June	May	April	July	June	May	
Basic materials (1970=100)	301.2	299.6	292.0	283.2	283.2	283.2	283.2	
Manuf. prod. (1970=100)	215.8	217.0	214.8	212.7	212.7	212.7	212.7	
Wage rates (July 1972=100)	213.9	214.0	209.4	185.8	185.8	185.8	185.8	
Retail prices (Jan. 1974=100)	156.3	156.0	155.2	128.5	128.5	128.5	128.5	
H.P. debt (£m.)*	2,386	2,363	2,356	2,249	2,245	2,245	2,245	
Terms of trade (1970=100)	79.4	80.0	79.6	82	82	82	82	
	June	May	Apr.	March	June	May	Apr.	
Retail sales val. (1970=100)	184.2	182.1	182.1	171.1	171.1	171.1	171.1	
Industrial output (1970=100)	100.9	103.4	102.1	95.3	95.3	95.3	95.3	
	1976				1975			
	July	June	May	Jan.	July	June	Jan.	
Trade and Industry								
Imports fob (£bn.)	2,481	2,403	2,195	1,826	1,826	1,826	1,826	
Exports fob (£bn.)	1,957	1,939	1,814	1,562	1,562	1,562	1,562	
Visible trade balance (£bn.)	0.524	0.464	0.285	0.263	0.263	0.263	0.263	
Steel, weekly average ('000 tonnes)	367.1	428.4	432.6	262.2	262.2	262.2	262.2	
Cars ('000s)	133	109	117.1	93.7	93.7	93.7	93.7	
Commercial vehicles	23.3	29.0	31.4	27.2	27.2	27.2	27.2	
TV sets ('000s)‡	198	188	184.4	164	164	164	164	
Radio, radiograms ('000s)‡†	333	329	300.8	345	345	345	345	
Houses completed ('000s)†	26.5	26.8	25.7	26.9	26.9	26.9	26.9	
	1976				1975			
	June	May	Jan.	Jan.	June	June	Jan.	
Hosiery (1970=100)**	81	88	86.8	112	86	112	86	
Man-made fibres (m. kgs.)	51.78	52.57	52.6	47.0	46.9	47.0	46.9	
Bricks (millions)*	487	445	459	418	418	418	418	
Cement, weekly average ('000 tonnes)	339	335	311	355	355	355	355	
Furniture (1970=100)**	128	157	151.6	160	160	160	160	
Petroleum (m. tonnes)†	6,626	7,632	7,120	6,22	6,22	6,22	6,22	
Electric cookers ('000s)††	70.6	105.7	78.5	63.2	63.2	63.2	63.2	
Washing machines ('000s)†	107.3	58.4	63.0	69.5	69.5	69.5	69.5	
	June	May	Jan.	Jan.	June	June	Jan.	
Raw cotton, weekly average ('000 metric tonnes)‡	1.91	2.70	2.33	2.00	2.00	2.00	2.00	
	Apr.	Mar.	Jan.	Jan.	Apr.	Apr.	Apr.	
Engineering orders on hand (1970=100)**	92	94	94.5	117	120.2	120.2	120.2	
Raw wools (m. kilos)‡	10.4	11.4	10.4	9.6	9.6	9.6	9.6	
	Mar.	Feb.	Jan.	Mar.	Mar.	Mar.	Mar.	
Machine tools (£m.)†	34.6	27.3	29.3	30.2	32.1	32.1	32.1	
	1976				1975			
	2nd qtr.	1st qtr.	2nd qtr.	1st qtr.	Year	Year	Year	
Consumer spending (£bn. 1970 values)	8.875g	8.912	8.839	9.041	35.41	35.41	35.41	
Motor Trade Turnover (1972=100)	177	166	148	137	14	14	14	
	1976	1975			1974	1974	1974	
	1st qtr.	4th qtr.	1st qtr.	Year	Year	Year	Year	
Building and civil engineering (£bn.)c	3.018g	2.998	2.644	11.610	10.22	10.22	10.22	
* Production. † Deliveries. ‡ Net sales. § Consumption. ** Seasonally adjusted. †† All manufacturing industries. ‡ Excluding car radios. ‡† Deliveries. U.K. made and imported sets. b From May. 1973 onwards new basis of calculation refers to advances to U.K. public and private sector. Historic figures on new basis not available. c Prices. § Including cooker grillers toasters. e Value of output estimate. f United Kingdom not seasonally adjusted. g Provisional figures. h Preliminary.								

Current Financial Position

The cash portion of the consideration and the expenses incurred in connection with the Offer have been funded with the proceeds of a U.S. dollar bank loan of up to \$25,000,000 to Dentsply payable as to \$10,000,000 on or before 30th June 1977 with four further payments at intervals over the following four and a half years. Subsequent to completion of the merger with ADI, it is the intention of Dentsply to complete arrangements to refinance a portion of this bank loan. Dentsply has received a commitment from an institutional investor for the subscription during 1977 of Loan Notes in an amount, at the discretion of Dentsply, between \$10,000,000 and \$15,000,000. The Notes will bear interest at 10 1/2 per cent per annum and will be repayable in ten annual instalments commencing in 1981. The commitment is conditional upon there being no material adverse change of business or financial condition of Dentsply from that at existence on 31st December, 1975 and the execution of legal documentation to a form satisfactory to the investor and Dentsply. Under the terms of the commitment, the amount borrowed would be used to refinance part of the bank loan referred to previously.

Save as disclosed and apart from changes in the ordinary course of business, the present financial position of the Company is not materially different from that shown at 31st December, 1975. Save as disclosed the Directors of the Company are not aware of any material change in the financial position of ADI and its subsidiaries since publication of its last balance sheet.

THE COMPANY

Report of Independent Accountants

The following is a copy of a letter from Price Waterhouse & Co., auditors of the Company:

Southwark Towers,
22 London Bridge Street,
London, SE1 9SL
7th September, 1976.

The Directors,
Dentsply Limited,
Diamond Buildings,
Combe Road,
Brighton, Sussex BN2 4ER

Dear Sirs,

We have examined the books and accounts of Dentsply Limited ("the Company") for the periods relevant to this report. In our opinion the information set out below gives a true and fair view of the results of the Company for the five years ended 30th November, 1975 and of the state of affairs of the Company as at 30th November in the six years 1970 to 1975.

Trading Results

The following statement of the results of the Company for the five years ended 30th November, 1975 is based on the audited accounts.

	1971	1972	1973	1974	1975
Turnover (Note 2)	£200,256	£485,444	£544,739	£738,000	£893,893
Less: Cost of sales (including expenses of finance, management and administration) (Note 3)	386	440	484	674	889
Profit (loss) before taxation and extraordinary item	(31)	45	50	65	74
Less: Taxation (Note 4)	—	—	22	36	38
Profit (loss) after taxation but before extraordinary item	(31)	45	28	29	36
Extraordinary item—profit on sale of property after taxation	—	—	—	—	28
Closing revenue reserves	56	25	70	98	127
Closing reserves	25	70	98	127	191

Balance Sheets

Set out below are the balance sheets of the Company for the five years ended 30th November, 1975, based upon the audited accounts.

	1970	1971	1972	1973	1974	1975
Goodwill	£000	£000	£000	£000	£000	£000
—	86	86	86	86	86	86
Fixed assets (Note 5)	94	110	118	143	160	301
Loose tools at valuation	3	3	4	5	6	7
Quoted investment (Note 6)	97	199	208	224	252	394
Current assets:						
Stocks	48	63	70	118	156	183
Debtors	85	119	139	187	230	215
Trade receivables	5	—	—	—	—	—
Bank and cash (Note 7)	27	145	30	4	25	(10)
Current liabilities:						
Owing to holding company	6	11	27	25	56	63
Creditors	28	169	49	47	82	73
Taxation	22	—	—	—	24	—
Net current assets	56	220	78	92	142	128
Less:						
Long-term loan	—	151	151	—	191	191
Loans from holding company (Note 8)	—	—	—	151	191	191
Deferred taxation (Note 9)	—	—	—	22	34	104
Provision for supplementary pension benefits	—	—	—	9	20	—
Net assets	206	175	220	268	317	381
Represented by:						
Share capital (Note 10)	150	150	150	150	190	190
Revenue reserves	56	25	70	98	127	191
	206	175	220	268	317	381

Accounting Policies and Notes

(1) The accounting policies adopted by the Company are as follows:

- Stocks**
Stocks are stated at the lower of cost and net realisable value. The first-in, first-out method is used to determine the cost of the material content and the average cost method is used to determine the cost of labour and overhead content.
- Fixed assets**
Fixed assets are stated at cost less investment grants; an appropriate amount of labour and overhead is capitalised for fixed assets assembled or constructed internally. Depreciation is computed by the straight-line method based on the assets' estimated useful lives: buildings 50 years, machinery and equipment 5-20 years.
- Deferred taxation**
Deferred taxation is provided for in respect of timing differences resulting from the allocation of certain items of income and expenditure to different periods for tax purposes from those to which they are allocated for accounting purposes. The provision is based on rates of taxation in the accounting periods in which the timing differences arise.
- Currency translations**
Liabilities in U.S. dollars are expressed in sterling at the rate ruling at the year end. Liabilities in foreign currencies are not covered by forward contracts of exchange.
- Pensions**
The Company has undertaken to provide certain supplementary pension benefits for its employees in addition to those already provided under the Superannuation Fund and Life Assurance Scheme. At 30th November, 1975 the unprovided past service cost of these supplementary benefits amounted to approximately £30,700, assuming interest at 10 per cent per annum. This amount is being provided for over a period of 20 years from 1st December, 1975. Neither the current nor the past service liabilities for these benefits are being funded, but they are guaranteed by the holding company.

- No amortisation of goodwill is provided.**
- Turnover** comprises sales of teeth and, where applicable, remedial work done on behalf of a wholesale distributor net of rebates and discounts.
- Cost of sales** includes the following:—

	1971	1972	1973	1974	1975
Depreciation—Plant and equipment written off	£000	£000	£000	£000	£000
—	14	16	16	15	27
Interest received	(4)	(2)	(1)	—	—
Provision for supplementary pension benefit	—	—	—	9	11
Directors' emoluments	17	17	17	21	22

- The charge for taxation based on the profit for the year comprises:—**

	1971	1972	1973	1974	1975
Corporation Tax	£000	£000	£000	£000	£000
—	—	—	22	12	38
Deferred taxation	—	—	—	22	36

after taking into account the benefit of unused tax losses available from previous years as follows:—

	1970	1971	At 30th November 1975	1974	1975
Freehold land and buildings	£000	£000	£000	£000	£000
—	28	27	26	25	24
Long leasehold land and buildings	—	—	—	—	—
—	38	37	36	36	35
Plant and equipment	—	—	—	—	—
—	23	46	56	62	101
	94	110	118	143	160

- The quoted investment represents 62,500 ADI Ordinary 25p shares, which are stated at cost. The approximate market value of this holding was £55,600 at 30th November, 1975. During the year ended 30th November, 1975 the Company's sales to ADI amounted to £761,000.

- The Company's overdraft and discounting facilities are secured by a legal mortgage over part of the freehold premises. At 30th November, 1975 contingent liabilities in respect of bills discounted amounted to £70,000.

- The loans from the holding company are in sterling and are eligible, under the exchange control provisions, for repayment from mid-1976. The holding company has indicated that it is not its intention to request repayment until such time as adequate cash resources are available.

- During the year ended 30th November, 1975 an amount of £24,000 was transferred from Corporation Tax payable to deferred taxation following relief granted in respect of increases in stocks during the two years ended 30th November, 1974. The effect of this relief has been to defer payment of Corporation Tax for that year and accordingly the liability will be carried forward in deferred taxation until a date for payment has been established. The deferred tax on charge of £38,000 for the year ended 30th November, 1975 includes £10,300 in respect of stock relief.

- The authorised and issued share capital of the Company at 30th November, 1975 was as follows:—
Authorised 250,000 Shares of £1 each
Issued and fully paid 180,000 Shares of £1 each
On 29th April, 1976 the authorised share capital was increased to 2,500,000 Shares of £1 each.

- At 30th November, 1975 there were commitments in respect of capital expenditure as follows:—
Contracted for £24,000
Authorised but not contracted for £75,000

Accounts

No audited accounts have been prepared for submission to members since those for the year ended 30th November, 1975.

Yours faithfully
PRICE WATERHOUSE & CO.
Chartered Accountants

Current Financial Position

Save as disclosed and apart from changes in the ordinary course of business, the present financial position of the Company is not materially different from that shown at 30th November, 1975.

AD INTERNATIONAL LIMITED

The authorised and issued share capital of ADI, after giving effect to the capital reorganisation referred to below, will be as follows:—

	Issued and Fully Paid
3,876,465 5 per cent Non-Cumulative Preference shares of 25p each	£3,876,465
4,123,532 Ordinary shares of 25p each	£3,876,465
8,000,000	7,752,930

By a Special Resolution passed by the requisite majority at an Extraordinary General Meeting of ADI held on Monday, 4th September, 1976 a capitalisation issue of 15,006,972 new Ordinary shares of 25p each and a conversion of the previously existing Ordinary shares into 5 per cent Non-Cumulative Preference Shares of 25p each were authorised. In addition the authorised share capital was increased from £5,000,000 to £8,000,000.

The Directors of Dentsply Limited are not aware of any material change in the share capital of ADI within the last five years nor are they aware of any arrangements whereby any capital of ADI or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.

Profits and Dividends

The following table contains figures based on the audited consolidated accounts of ADI and its subsidiaries for the five years ended 31st December, 1975.

	1971	1972	1973	1974	1975
Turnover	£000	£000	£000	£000	£000
—	17,682	21,142	28,836	33,367	41,410
Group profit before taxation	1,258	1,772	2,513	2,986	2,989
Taxation	535	824	1,342	1,568	1,683
Minority shareholders' interest	18	19	46	(14)	(21)
Extraordinary items (Note 1)	703	828	1,125	1,402	1,344
Profit attributable to the group	1,176	892	1,402	1,308	1,344
Dividends	387	253	331	332	383
Profit for the year retained	779	639	1,071	856	961
Earnings per share (Note 2):					
Before extraordinary items	5.0p	6.3p	7.2p	9.0p	8.5p
Based on profit attributable to the group	8.5p	6.7p	9.0p	8.4p	8.7p
Dividends per share (pence) (Note 2)	2.5p	3.0p	3.1p	3.5p	3.8p
Ordinary shares issued (Note 2)	13,514	14,788	15,506	15,506	15,506

Notes:

- Extraordinary items comprise:—
Profits on sales and realisations of fixed assets and investments
Overprovision for taxation
Expenses of capital issues
Interest on headquarters building
Other

- The share capital and earnings and dividends per share have been adjusted to take into account the 2 for 3 capitalisation issue in 1973. The 1973, 1974 and 1975 dividend per share of 3.1p, 3.5p and 3.8p is the imputed gross equivalent of the net dividend declared of 2.1p, 2.5p and 2.5p respectively.

Interim Profits

The following table sets out the unaudited interim profit figures of ADI and its subsidiaries for the six months ended 30th June, 1976 (as announced on 4th August, 1976), together with the comparative figures for the six months ended 30th June, 1975.

	1975 (Unaudited)	1976 (Unaudited)
Turnover	£000	£000
—	15,483	25,480
Profit before taxation	1,766	2,364
Taxation	944	1,389
Profit after taxation	822	975
Minority interests	(1)	(12)
Profit (before extraordinary items) for ordinary shareholders	821	963
Deduct: Extraordinary interest (less tax relief) (Note 2)	70	65
Profit after extraordinary interest	751	898

Notes:

- Overseas profits have been included at exchange rates ruling at accounting dates. The variation in the overall exchange rates since 30th June, 1975 has been approximately 16 per cent.
- The balance of the extraordinary interest charge for financing the purchase for resale of the headquarters building has been shown (net of tax relief) after charging against revenue the appropriate occupation costs. Credit has not been taken for other extraordinary items which, for the year ended 31st December, 1975, totalled £144,000 net of taxation and priority interests.

Consolidated Balance Sheets

The consolidated balance sheets of ADI and its subsidiaries for the five years ended 31st December, 1975 based on the audited consolidated accounts were:—

	1971	1972	1973	1974	1975
Fixed assets at cost or valuation less depreciation	£000	£000	£000	£000	£000
Freehold properties (Note 5)	2,578	2,855	3,422	6,499	6,821
Long leaseholds	206	91	290	18	17
Short leaseholds	14	15	15	35	114
Machinery, fixtures and fittings	2,788	2,961	3,687	6,582	6,752
—	1,084	1,193	1,333	1,506	1,578
Trade and other investments	57	53	289	63	72
	3,939	4,207	5,279	8,121	8,402
Current assets:					
Stocks	5,883	7,070	8,250	12,145	13,772
Debtors	5,054	6,123	7,754	10,085	11,336
Cash	819	467	363	360	329
Deduct: Current liabilities	11,856	13,660	16,389	22,590	26,437
Creditors	3,161	3,680	4,814	6,738	7,425
Bank overdrafts	709	847	2,057	3,300	5,614
Taxation	933	1,144	1,339	1,172	1,491
Dividends	261	353	331	352	363
Net current assets	5,064	6,004	8,541	11,562	11,813
	6,792	7,626	7,848	11,028	13,624
	10,731	11,843	13,127	19,149	22,026
Deduct:					
Loan capital	2,248	1,690	1,218	1,218	1,218
Bank loans	690	892	863	5,498	6,979
Other loans	25	44	82	275	503
Deferred taxation	144	230	175	709	732
Minority interests	287	309	363	107	88
	3,374	3,165	2,701	7,807	9,531
Net assets	7,357	8,678	10,426	11,342	12,495
Represented by:—					
Share capital	2,087	2,220	3,876	3,876	3,876
Reserves	5,270	6,458	6,550	7,466	8,619
	7,357	8,678	10,426	11,342	12,495

Note:

In the Directors' Report dated 7th July, 1976 included in the Accounts for the year ended 31st December, 1975 it was stated that "Debenham Tewson and Clinecocks are continuing to advise the company on market conditions relating to properties particularly in the United Kingdom. Based on current information the directors believe that the market value of the main properties exceeds their book value by approximately £3,000,000 (before allowing for any taxation). The directors do not propose at present to take credit in the Accounts for any part of this excess. The market value of the freehold interest in the Group's headquarters building is taking longer than originally expected to be actively pursued. The additional cost of financing this purchase is considered to be an extraordinary expense."

Accounting Policies

Consolidation of Subsidiaries

- Basic consolidation**
The consolidated profit and loss account and balance sheet include the accounts of the company and its subsidiaries made up to 31st December.

- Acquisitions**
The sales and profits of subsidiaries acquired are included in the profit and loss account only for the period since acquisition. Any difference between the cost of investments and the net book values of the tangible assets at the date of acquisition is taken to reserves.

- Turnover and profits**
Turnover represents the total invoice value (excluding value added tax) of sales to customers outside the group. The value of inter-company sales and any unearned inter-company profits thereon have been eliminated.

- Trade investments**
The trade investments, none of which is an associated company as defined in Statement of Standard Accounting Practice No. 1 issued by the Institute of Chartered Accountants, are not consolidated and the attributable profits are brought in only to the extent of dividends received. Any goodwill arising on acquisition is taken to reserves.

- Foreign currencies**
The sterling equivalent of fixed assets and reserves of overseas subsidiaries brought forward from the previous year is maintained. Unrealised profits or losses arising thereon are taken to capital reserves.

- Fixed assets**
All other items have been converted at rates ruling at 31st December.

- The main freehold properties in the United Kingdom are stated at professional valuation at 31st December, 1984, plus additional since that date at cost. Comments on current values appear in the Directors' Report (see Note above).**

- No further depreciation has been provided on other United Kingdom freehold and long leasehold properties except in respect of certain installations.**

- Other fixed assets are normally depreciated by annual instalments on various bases designed to amortise them over their useful lives. In some cases, where amortised by overseas local fiscal regulations, fixed assets are written off in the year of purchase.**

- Stock**
Stock includes work in progress. It is valued at the lower of cost (including an addition for overhead expenses where appropriate) and net realisable value or at such lower value as is permitted by overseas local fiscal regulations.

- Deferred taxation**
The Deferred Taxation Account represents Corporation Tax at 52 per cent, deferred in the United Kingdom by reason of (a) the excess of tax allowances over depreciation charged, (b) relief arising from the increase in stock values less (c) sundry timing differences, and Advance Corporation Tax in respect of dividends payable or proposed.

- No provision is made for any tax liabilities which might arise in the event of the distribution of profits retained by overseas subsidiaries.**

- Research and development**
Expenditure on research and development is charged against profits in the year in which it is incurred.

PRO FORMA COMBINED FINANCIAL STATEMENTS OF THE ENLARGED GROUP

Pro Forma Combined Statements

The unaudited pro forma income statement set out below has been prepared on the basis of the figures for the year ended 31st December, 1975 in order to indicate what the results of the combined group might have been if the acquisition had been effective prior to the period presented assuming full acceptance of the Offer. The unaudited pro forma balance sheet set out below has been prepared on the basis of the balance sheet as at

MINING NEWS

Poseidon restored but faces investigation

PAUL CHEESERIGHT

THE ADELAIDE stock exchange restored the quotation of the troubled but now troubled mining company, Poseidon. The company was taken off the trading yesterday following lengthy discussions with the exchange chairman, Professor Eric J. But the South Australian government is to stage an investigation into the heavy losses of the company which preceded its suspension last Tuesday.

The exchange committee criticises the company for its lack of liquidity, its Sydney correspondent says. The committee added that Poseidon results for 1975-76 are expected to show a loss in excess of \$2.5m. (1975-76), the deficit for 1974-75, an official level, the South Australian companies investigation office is to examine the possibility of insider trading in the company shares. The Attorney-General, Mr. Peter Duncan, refused to sales of between 50,000 and 100,000 shares in London. It is usual, he said, "to offload a large percentage of the shares at Monday. Poseidon shares 90p to 15p, in the last day trading before suspension. London brokers, who are pessimistic of Poseidon's future, expected trading this morning would be at a discount of a third to half of this closing price.

he company itself stated in a letter that it was not in the position to pay the major shareholders. The Australian Mining Corporation, it had to pay payments to creditors and adequate overdraft facilities. Nevertheless, Poseidon reiterated that it would entertain offers in 50 per cent of the company's shares. The company's nickel mine in Western Australia, adding that it had considered suspending the operation one time. A review of operations was continuing with its partner in the Western Mining. At the same time the company was seeking a reorganisation of all its financial

and contractual ties with a view to putting the obligations on more favourable terms.

Poseidon revealed that it was owed money for nickel concentrate deliveries from the beginning of 1975. Its share of the Western Australian Nickel Mining and Smelting Co. Pty. Ltd. is not paid until a price has been realised for the purchased nickel. The company's share of five years. First production started in 1974, some 34 years after its shares touched a record high of \$124.

SELCAST FINDS MINERALISATION

Percussion drilling about 50 miles to the south-east of Agnew in the Teutonic bore area of Western Australia by the joint partnership of Western Selcast and MIM Holdings has intersected "some copper mineralisation," Selcast says. The company, owned by London's Selection Trust and 20 per cent held by Selcast Exploration which is itself 84 per cent owned by Selection Trust.

In a statement which was prompted by a recent upward movement in Selcast shares, the joint venture says that it is not their policy to comment on inconclusive early explorations. It says that in view of the fact that the company is necessary to say that while the percussion drilling has yielded interesting results "it is in no way possible to assess the significance of the results until a programme of diamond drilling, which is now being planned, has been completed. Selcast, which rose 5p on Tuesday, was 2p off 60p yesterday while Selection Trust were 10p lower at 415p.

ROUND-UP

Both Crown Mines and City Deep gold mines are to reduce

their scale of operations from October 1 by about half as an initial step towards the suspension of mining operations. Loss of state aid from that date and the current low level of the gold price make the continuation of profitable operations impossible for more than a few months.

The Anglo American group's diamond share holding company Anglo American Investment Trust has declared an interim dividend of 150 cents (97.5p) in respect of the half-year to September 30 following the recent increase in the interim distribution by De Beers. For the 15 months to March, 1976, Anglo Trust paid a total of 303 cents. Net profits in the latest period came out at \$15.84m. (\$10.34m) compared with \$49.9m. for the previous 15 months.

Tin outputs

FURTHER tin concentrate production statistics for August are now reported by Malaysia's mines. In the Trench group, Ayer Hitam's output has fallen for the third month running but for the first two months of the current year to next June production totals 943 tonnes as against 286 tonnes for the same period of 1974-75.

Sungei Besi, which is noted for its erratic outputs, reports a fall in production to 124 tonnes in August compared with 177 tonnes in July and makes a five-month total of 607 tonnes as against 842 tonnes for the same period. The company's annual production is being held in London to-day. Trench's eight-month total of 1,420 tonnes compares with 1,694 tonnes for the same period of 1975. The outputs are compared in the following table.

	Aug. July	1975	1974-75
Tin	451	492	387
Sungei Besi	124	177	128
Sungei Way	29	44	29
Trench	194	183	187

BIDS AND DEALS

Assam Trading sells interest

Assam Trading (Holdings) has sold for a nominal consideration 50 per cent of its holding in Assam Railways and Trading Company to certain Indian interests. AR and T's colliery interests were nationalised in 1973 and the value of the investment in AR and T's books had been written down to \$37,820 as at March 31, 1975. However, creditors' claims, principally those of the State of Assam for unpaid royalties, have ruled out any possibility of a compensation surplus for AR and T.

At present it is impossible to quantify the value of AR and T's remaining 50 per cent holding in AR and T, representing timber interests, but there will be no effect on the profit and loss account of the group as AR and T has not been consolidated for three years and has not paid a dividend since 1965.

The writing off of the investment in AR and T more than offsets the apparent improvement in AR and T's net worth which resulted from the revision of its shareholding in McLeod Russell (now 53.61 per cent) and on this basis, the adjusted price of AR and T stands at \$24,161,000 as against \$23,477,490 in the last balance sheet on March 31, 1975.

Assam Trading also sold its interest in Royley Temple Estates, an unquoted property company, to McLeod Russell at net asset value in part consideration for a loan repayment.

STRONG & FISHER

Strong and Fisher (Holdings) has reached agreement with receiver and joint-liquidators of the British Chrome Tanning Co.

MINING BRIEFS

ST. PIRAN—August production of concentrates, U.K. 1975, was 22 tonnes. South Croft was closed for one week of the annual holiday in August.

SOBRANIE

Sobranie (Holdings) exchanged contracts on September 6 for the purchase from Great Portland Industrial and General Investments of the freehold interest in premises at Ravenscourt Park, Hammersmith, occupied by the Brookgreen Laundry subsidiary.

The price, as stated in the annual report, was £250,000 and rental had been £27,750.

UNERMAN

The offer by Donald Macpherson Group for Unerman Holdings has become unconditional. Accepted and agreed to be completed in respect of 2,668,187 Ordinary shares (£6.65 per cent). The offer and the share option will remain open.

WESTFORTH

Westfort Trust announces that acceptance of its offer have been received in respect of 872,921 Ordinary shares of Westfort Electrical and Automation. The trust now owns 4,272,921 shares (94.33 per cent). The offer remains open.

Rothmans International Limited



In his Statement to Shareholders Sir David Nicolson Chairman of Rothmans International Limited, made the following points:—

- * Profits in the financial year to March 31, 1976 show expected recovery at £40.41m before tax.
- * Ordinary dividends increased to maximum permitted level of 1.6579p per share.
- * Further satisfactory increase in profits for the first six months of this year indicated. Home sales up to expectations and exports continue to move ahead.
- * Tobacco interests the mainstay of the business.
- * But a new Industries Division to be formed to plan for a broadening of the product and profit base of the Company.

distribution to all holders of shares of Common Stock of evidence of indebtedness of Dentsply or of assets (including cash dividends or distribution in cash or property (other than capital stock of Dentsply) in each case out of Dentsply's retained earnings) or assets (other than those referred to above). Except as stated in the preceding sentence, the Conversion Rate and the Conversion Price will not be adjusted in the event of an issue of shares of Common Stock at a price different from the then current market price or the then current Conversion Price, whether on the exercise of present or future options or warrants or otherwise. No adjustment of less than 1 per cent. will be made in the Conversion Rate but lesser adjustments will be carried forward.

(f) The Trust Deed contains other provisions for the protection of the conversion rights including provisions relating to any merger or consolidation of Dentsply.

Procedure for Conversion

Note: If on a conversion the cost of purchasing \$1,7525 in the appropriate currency market is less or more than \$1.75, the Conversion Agent will make a payment equal to the difference between \$1 and such cost in respect of every \$1 nominal of Stock converted. Under current United Kingdom Exchange Control regulations, purchases of shares on behalf of residents of the United Kingdom (or residents of the Scheduled Territories as defined under "United Kingdom Exchange Control" below) may be made in the United Kingdom currency at a greater rate than would be the case in the official market. In the last 12 months the investment currency premium has fluctuated between 1.251 per cent. and 87.6 per cent. based on an exchange rate of \$2.80 to £1. On 21st July, 1976 the rate based on an exchange rate of \$2.80 to £1 was 104.9 per cent. equivalent to an effective premium of 40.37 per cent. on the current exchange rate of \$1,7525 to £1.

(a) The Conversion Agent is Hill Samuel & Co. Limited, c/o Hill Samuel Registrars Limited presently of 6 Grosvenor Gardens, SW1P 3PL. Conversion Notice will be made available by the Conversion Agent on and after 1st September, 1977. Save as indicated below, the Conversion Agent will act as agent for Dentsply.

(b) Conversion may be effected only by lodging (in accordance with United Kingdom Exchange Control regulations) with the Conversion Agent a duly completed Conversion Notice accompanied by the relative Stock Certificate(s). The Conversion Agent will then advise the Conversion Agent to effect, as agent and for the account of the Stockholder, the currency transactions necessary to enable conversion to take place, and the Conversion Agent will effect such transactions as soon as reasonably practicable after due lodgement of the Conversion Notice.

(Note: See "United Kingdom Exchange Control" below.)

(c) (i) The Conversion Agent will acquire, for the account of the Stockholder, dollars eligible in accordance with United Kingdom Exchange Control regulations for investment in Common Stock at the rate of \$1,7525 for each £1 nominal of Stock converted, increased by the amount of any taxes payable under (a) below but after deducting any payment in dollars to which the Stockholder may be entitled in respect of any fraction of a share of Common Stock issued on conversion (the "Requisite Amount"), and will credit or debit an account opened in the Stockholder's name with an amount equal to the difference between the Requisite Amount and the amount of the payment in dollars (including reasonable banking charges) of the purchase of the Requisite Amount.

(ii) Alternatively a Stockholder who already holds dollars eligible in accordance with United Kingdom Exchange Control regulations for investment in Common Stock may arrange for such dollars up to the Requisite Amount to be made available to the Conversion Agent together with any evidence required by the Conversion Agent that the dollars are so eligible. The Conversion Agent will then credit the account of the Stockholder at the rate of \$1 for each £1 nominal of Stock converted. To the extent that the dollars so made available may be less than the Requisite Amount, the Stockholder will be credited pro rata to the Requisite Amount for each £1 nominal of Stock converted and the balance will be dealt with under (i) above.

(d) If in consequence of the requisite currency transactions any sum is due to the Conversion Agent from the Stockholder, the Conversion Agent will demand payment of the sum due and, if such sum is not paid within 10 days after demand, the Conversion Agent may at its sole discretion sell all or part of the Common Stock issued under the relevant Conversion Notice, convert the net proceeds of sale into sterling and, after satisfying the sum due, pay any balance to the Stockholder or his agent (in accordance with and subject to United Kingdom Exchange Control regulations).

(e) If in consequence of the requisite currency transactions any sum is due from the Conversion Agent to the Stockholder, the Conversion Agent will pay such sum to the Stockholder or his agent (in accordance with and subject to United Kingdom Exchange Control regulations) within 10 days after the relevant conversion date.

(f) Within 14 days after the relative conversion date Dentsply will furnish the requisite Common Stock in consideration of the conversion and will deliver (through the Conversion Agent) for the delivery in London of (a) certificate(s) for the requisite Common Stock in accordance with the Stockholder's instructions but subject to United Kingdom Exchange Control regulations. The Stockholder shall be responsible for any taxes (if payable in the United States of America) if the Common Stock issued on conversion is to be issued in the name of some other person and (b) payment in any other jurisdiction, in respect of his Stock converted.

(g) The conversion date will be the date of due lodgement of the Conversion Notice with the Conversion Agent if made before 3 p.m. (London time) on a business day or otherwise the next business day in London following such lodgement.

(h) Notwithstanding the foregoing all conversions shall in any event be made in compliance with United Kingdom Exchange Control regulations for the time being in force and lodgement of a Conversion Notice shall not be treated as having been duly made if the Stockholder has in any respect failed to comply therewith. It shall be the responsibility of the converting Stockholder to obtain any necessary Governmental approval applicable to him in any other territory, e.g. his country of residence.

Redemption and purchase

(a) If at any time before 1st December, 1991 not more than 25 per cent. of the nominal amount of the Stock shall remain outstanding, the Company will, at the option of the Stockholder, redeem the Stock at the price of £105 per cent. together with interest accrued up to and including the date fixed for redemption.

(b) The Company may on or at any time after 1st December, 1991, having given not less than 60 nor more than 90 days' notice in writing to all Stockholders any of whose Stock is to be redeemed, redeem on the date specified in such notice all or any part of the Stock (whether or not the whole) at the price of £105 per cent. (plus interest accrued up to and including the date fixed for redemption) — 12 months beginning 1st December in

Year	Redemption price
1991	£105
1992	£104.5%
1993	£103%
1994	£101.5%
1995	£100%

(c) Dentsply or any of its subsidiaries may at any time purchase Stock on any recognised Stock Exchange at any price or by tender (or by purchase on the Stock Exchange) at any price or by private treaty at a price (allowing for accrued interest but exclusive of expenses) not exceeding 10 per cent. above the mean of the nominal quotations of the Stock, as shown by the Daily Official List of The Stock Exchange in London on the business day last preceding the date of such purchase, but not otherwise.

(d) Stock purchased by Dentsply or any of its subsidiaries or redeemed or converted shall not be available for re-sale or sale or not be cancelled on purchase shall carry no conversion rights or rights with respect to meetings of Stockholders and shall not be taken into account in calculating the amount of Stock outstanding at any time and from time to time for the purposes of the Trust Deed.

(e) The Stock, unless previously purchased or redeemed or converted in accordance with these provisions, will be repaid at par on 30th November, 1996 together with interest accrued up to and including that date.

Restriction on borrowings of Dentsply and its subsidiaries

(a) Dentsply will ensure that so long as any part of the Stock remains outstanding except with the sanction of an Extraordinary Resolution (as defined in the Trust Deed) of the Stockholders the aggregate principal amount (including any fixed or minimum premium payable on final repayment or redemption) for the time being outstanding of all monies borrowed (whether secured or not) by Dentsply and its subsidiaries (but excluding amounts owing by any of those companies to any other of them) shall not at any time exceed a sum equal to twice the adjusted stockholders' equity (as defined below).

(b) "Adjusted stockholders' equity" means the aggregate for the time being as certified by the auditors for the time being of Dentsply ("the Auditors") of—

(i) The amount paid up or credited as paid up on the issued capital stock of Dentsply; and

(ii) The amounts standing to the credit of capital in excess of par value and of retained earnings (which shall include all amounts set aside for provision, amounts attributable to minority interests in subsidiaries and any distributions to stockholders of Dentsply and minority stockholders in subsidiaries out of profits earned prior to the date of the relative audited balance sheets and not provided for therein) of Dentsply and its subsidiaries.

as shown by a consolidation of the then latest audited balance sheets of Dentsply and its subsidiaries but—

(i) Adjusted as may be appropriate to reflect any variations since the date of the relevant balance sheet in interests in the share capital of subsidiaries, in the amount of such paid-up capital stock, capital in excess of par value, and in the amount of such retained earnings.

(ii) Deducting (if otherwise included) the amount attributable to Treasury Stock in the relevant balance sheet of Dentsply;

(iii) Adding the amount by which the aggregate market value (as determined on a basis and (where required by the Trustee) by independent professional valuations approved by the Trustee) of the land and buildings reflected in the said balance sheets shall exceed the aggregate value attributed to such assets in such balance sheets;

(iv) Adding back the amounts, if any, already deducted for taxation equalisation reserve;

(v) Deducting (if not otherwise deducted) any amounts attributable to goodwill and other intangible assets (other than those of the parent company) in excess of the value of the net tangible assets acquired (and not yet written off) in the acquisition of such subsidiaries;

(vi) Taking account of any companies which will become or cease to be subsidiaries as a result of the transaction in relation to which the calculation falls to be made; and

(vii) After making such other adjustments (if any) as the Auditors may consider proper.

(c) "Monies borrowed" shall be deemed to include the following (together in each case with any fixed or minimum premium payable on final redemption or redemption) except in so far as otherwise taken into account:—

(i) The nominal or principal amount of any share capital debentures or other indebtedness of any body corporate or unincorporated or individual the beneficial interest whereof is not for the time being owned by Dentsply or any subsidiary and the repayment whereof is guaranteed or secured by or is the subject of an indemnity given by Dentsply or any subsidiary;

(ii) The principal amount for the time being owing in respect of any debenture within the meaning of Section 435 of the Companies Act 1949 (whether secured or unsecured) issued by Dentsply or any subsidiary and whether issued in whole or in part for cash or otherwise;

(iii) The nominal amount of any issued share capital of a subsidiary (other than equity share capital which as regards capital has rights no more favourable than those attached to its ordinary share capital) not for the time being owned by Dentsply or any subsidiary;

(iv) The principal amount raised by Dentsply or a subsidiary by acceptance or under any acceptance credit issued on or after 1st January, 1976, by any bank or accepting house other than an acceptance in respect of bills payable by Dentsply or any of its subsidiaries of less than 180 days' duration relating to the purchase of goods in the ordinary course of trading.

(d) "Monies borrowed" shall not include—

(i) Amounts borrowed by Dentsply or any subsidiary for the purpose of repaying within six months the whole or part of other monies borrowed by Dentsply or any subsidiary and for the time being outstanding (including any fixed or minimum premium payable on final redemption) (other than monies borrowed by one company from any other such company) pending such application for such purpose within such period;

(ii) A proportion of the borrowings of any partly owned subsidiary of Dentsply (but only to the extent that an amount equivalent to such proportion exceeds sums borrowed (if any) from such partly owned subsidiary by Dentsply or another subsidiary) such proportion being that which the issued ordinary share capital of such subsidiary bears to the total issued ordinary share capital of such partly owned subsidiary;

(iii) Borrowings from bankers and others for the purpose of financing any contract in respect of which any part of the price receivable is guaranteed or insured by the Export Credits Guarantee Department of the Department of Trade of the United Kingdom or any institution approved by the Trustee carrying on similar business to an amount not exceeding that part of the price receivable thereunder which is so guaranteed or insured.

(e) Monies borrowed and outstanding in a currency other than United States dollars shall be translated into United States dollars at the rate of exchange (as defined in the Trust Deed) for such currency prevailing from time to time provided that if there shall be any change (as also so defined) in such rate of exchange then for the purpose of calculating the U.S. dollar equivalent of such monies borrowed such change shall not be taken into account until the expiry of six months from the date of such change.

2. Covenants by Dentsply

The Trust Deed contains certain covenants by Dentsply including the following:—

(a) So long as the Company is obligated in respect of any part of the Stock, Dentsply will procure that the Company will remain under the control (as defined in the Trust Deed) of Dentsply.

(b) It shall be proposed to place the Company into liquidation before 1st December, 1991 for whatever cause or reason Dentsply shall prior to the date of commencement of the liquidation procure that the provisions of paragraph 5 below shall have been put into effect.

(c) In the event of the Company being placed into liquidation on or after 1st December, 1991 then, unless such provisions shall have been put into effect, the Stock shall be deemed to have been called for redemption under the terms of paragraph 6(b) above at the commencement of the liquidation (and the Company shall give notice to the Stockholders of the time when the Common Stock is to be called for redemption).

(d) Dentsply will keep available for issue sufficient authorised but unissued shares of Common Stock to satisfy in full the conversion rights attached to the Stock for the time being outstanding.

3. Substitution rights

The Company and Dentsply may at any time, on giving not less than 3 nor more than 6 months' notice in writing to the Stockholders in a form to be approved by the Trustee, make arrangements for Dentsply or another wholly owned subsidiary of Dentsply to be substituted as principal debtor for and to assume all the obligations and rights of the Company with respect to the Stock provided that—

(i) The Trustee shall have been satisfied that such arrangements are not materially prejudicial to the interests of Stockholders who are resident, ordinarily resident and domiciled or being companies are incorporated and resident in the United Kingdom for United Kingdom tax purposes and in each case are not subject to tax in any other jurisdiction in respect of their holdings of the Stock;

(ii) In the case of any substitution of another subsidiary of Dentsply the Trustee shall have been satisfied that the guarantee of Dentsply is maintained in full force and effect in respect of the Stock to the same extent as under the Trust Deed; and

(iii) The prior written consent (which shall not be unreasonably withheld) shall have been obtained from Holders of not less than 75 per cent. of Senior Indebtedness for principal under each Loan Agreement (as defined in the Trust Deed).

4. Modification of rights

The Trust Deed provides that the Clause therein setting out the subordination provisions referred to under paragraph 2 above may (in no circumstances) be modified without the prior written approval of each of the Holders for the time being: subject thereto the provisions of the Trust Deed and the rights of the Stockholders will be subject to modification, abrogation or compromise by an Extraordinary Resolution of the Stockholders as provided in the Trust Deed. In addition (subject as aforesaid) the Trustee may, without the consent or sanction of the Stockholders, concur with the Company and Dentsply in making any modification to the Trust Deed provided that the Trustee is satisfied that the interests of the Stockholders will not be materially prejudiced thereby.

5. Transfers

The Stock shall be registered and transferable in amounts and integral multiples of £1.

6. Indemnification and consents

The Trust Deed contains provisions for the indemnification of the Trustee and its relief from responsibility to the extent therein provided. Any consent given by the Trustee may be given on such terms and subject to such conditions, if any, as the Trustee thinks fit.

7. Governing law

Save as hereinafter referred to the Trust Deed is governed by and will be construed in accordance with the laws of England and Dentsply has agreed to submit to the jurisdiction of the English courts. The Clause of the Trust Deed setting out the subordination provisions referred to under paragraph 2 above is governed by and will be construed in accordance with the laws of the State of New York, United States of America.

The Trust Deed does not contain any provisions in respect of the disposal or sharing of assets by Dentsply or its subsidiaries (including the Company and its subsidiaries).

The Loan Agreement contains certain provisions and restrictions which would prohibit Dentsply and the Company from exercising certain of their rights or options under the Trust Deed without the prior approval of Holders.

United Kingdom Exchange Control

The Scheduled Territories at present comprise the United Kingdom, the Channel Islands, the Isle of Man, the Republic of Ireland and Gibraltar. Authorised Dealers are listed in the current issue of the Bank of England's Notice EC 1 (as amended) and include banks and stockbrokers in, and solicitors practising in, the United Kingdom and the Channel Islands.

Under current United Kingdom Exchange Control regulations:—

(i) Conversion Notices must be lodged through an Authorised Depository. Delivery of (a) certificate(s) for Common Stock following a conversion of Stock, and any payment due to the Stockholder on such conversion, will be made to the Authorised Depository effecting lodgement.

(ii) A purchase of dollars for investment purposes on behalf of a resident of the United Kingdom, or within the United Kingdom on behalf of a resident of the Scheduled Territories other than the United Kingdom has to be made through the investment currency market.

At present such dollars cost more than those purchased at the rate of exchange ruling in the official market. It is necessary for the excess cost to be borne by a converting Stockholder in respect of the Common Stock to be acquired by him through the exercise of his conversion rights. As an alternative to the above, a Stockholder who holds dollars eligible for the purchase of foreign currency securities may arrange for such dollars to be made available to the Conversion Agent together with a certificate from an Authorised Depository that the dollars are so eligible.

(iii) As regards Stockholders not resident in the Scheduled Territories, the requisite dollars can be purchased in the "official market" with sterling from an External Account or by sale of foreign currency. Dollars provided by a non-resident Stockholder must not be designated as eligible for investment in foreign currency securities.

(iv) The Stock may be acquired and disposed of by persons, whether or not resident in the Scheduled Territories, on the basis that it is a starting security. The current regulations applicable are contained in the current issue of the Bank of England's Notice EC 8 (as amended).

(v) The Common Stock is a foreign currency security. The current regulations governing such securities are contained in the current issue of the Bank of England's Notice EC 7 (as amended). As regards residents of the Scheduled Territories, the certificate(s) issued on conversion of Stock must be delivered to and held by an Authorised Depository or to its order. In the case of persons not resident in the Scheduled Territories, certificates may be delivered outside the Scheduled Territories to or for the account of such persons without restrictions.

Under current Exchange Control practice, on conversion of the Stock by a resident of the Scheduled Territories, the Bank of England requires that, except as mentioned below, the Conversion Agent will act on behalf of the converting holder, acquire such amount of investment currency as is required under paragraph 5 (being foreign currency eligible for investment in Common Stock).

However, if the converting holder at the time of lodgement of the conversion request gives the Conversion Agent an irrevocable instruction (which is accepted) to sell the resulting Common Stock to a non-resident for foreign currency within 28 days of the day of receipt of such Common Stock, the sale by the Conversion Agent, on behalf of the converting holder, of such foreign currency proceeds for sale in the official foreign exchange market will replace the investment currency requirement mentioned above.

United Kingdom capital gains tax

Dentsply and the Company have been advised that, on the basis of the present legislation applicable to the taxation of capital gains, the exercise of the conversion rights mentioned above will be regarded as an exchange of an original holding for a new holding within the provisions of paragraphs 4 and 6 of Schedule 7 to the Finance Act 1965. Any net sum provided by any Stockholder to enable conversion to be effected will be regarded as expenditure incurred in the acquisition of the original holding, and any net sum repaid to such Stockholder will be regarded as the proceeds of a disposal of an interest in the original holding.

GENERAL INFORMATION

(a) Save as disclosed herein:—

(i) No share or loan capital of the Company has been issued within the last two years or is proposed to be issued partly paid or fully paid for cash or for a consideration other than cash.

(ii) No share or loan capital of the Company is under option or is agreed to be put under option.

(iii) Mr. R. J. de Trey has the following interests in the common stock of Dentsply, which is the Company's ultimate holding company:—

(i) He has a beneficial interest in 8,825 shares of common stock.

(ii) He is a member of the Pension Committee of the Dentsply International Inc. Employees' Pension Plan which owns beneficially 145,438 shares of common stock.

(iii) He is a trustee of the Dentsply International Foundation which owns beneficially 32,072 shares of common stock.

(iv) He has been granted options to subscribe for 10,000 shares of common stock at an average option price of \$18.00. The options expire on 30th May, 1978.

(v) Save as disclosed herein, no Director of the Company has any interest, direct or indirect, in any assets which have been or are proposed to be acquired or disposed of or are to be acquired or disposed of by the Company during the last two years and no Director of the Company has a material interest in any contract or arrangement entered into by the Company which is significant in relation to the business of the Company taken as a whole.

(vi) The Articles of Association of the Company contain provisions (inter alia) to the following effect:—

(i) A Director shall be capable of contracting or participating in the profits of any contract with the Company in the same manner as if he were not a Director, provided that he shall declare the nature of his interest.

(ii) The Borrowing powers of the Company are unrestricted. The Directors may exercise all such powers of the Company to borrow money and to offer security for such borrowings.

(iii) The Directors of Dentsply have confirmed that they are satisfied that taking into account available bank facilities the Dentsply group has sufficient working capital for its present requirements.

(iv) There are no service contracts between the Company and any of its Directors.

(v) Price Waterhouse & Co., London, have given and have not withdrawn their written consent to the inclusion of their letter dated 7th September, 1976 in the form and context in which it appears under the heading "Financial Information".

(vi) Price Waterhouse & Co., Philadelphia, have given and have not withdrawn their written consent to the inclusion of their report dated 18th February, 1976 in the form and context in which it appears above.

(vii) The following contracts, which are or may be material, have been entered into by the Company other than in the ordinary course of business within the last two years:—

(i) A Subordinated Enforcement Agreement dated as of 27th April, 1976 between the Company, Dentsply, Commercial Union Assurance Company Limited, a group of banks, representatives of the Dentsply group, and the Dentsply group for

FARMING AND RAW MATERIALS

auxite ore
ice talks
continue

KINGSTON, Sept. 8. INTERNATIONAL Bauxite Association has resumed its search for a formula for pricing its ore produced by its 11 member countries.

Association's executive committee is meeting this week at the headquarters here and is expected to be finalising a new pricing and taxation of the mineral to be presented to the Ministerial Council meeting in London, Sierra Leone, later this year.

Search for minimum prices has gone on for 18 months. The failure of the 11 to agree on the recommendations put to it at the last meeting here in June, the IBA had asked member countries to impose a minimum price on all bauxite exports this year.

One of the major problems in this week's talks will be to solve a set of findings acceptable formula which will take into consideration a series of factors such as the grade of the ore, the cost of extraction, the cost of transport and levels of national development.

tea promotion
d upset
Kenya

GENEVA, Sept. 8. An attempt to set up a national Tea Promotion Commission, the object of which is to coordinate tea export promotion, has been opposed by the Kenya Tea Exporters' Association, which says it has not officially indicated why it has chosen not to do so.

The GATT-UNCTAD International Trade Centre, which is the body which has been set up to coordinate tea export promotion, has been opposed by the Kenya Tea Exporters' Association, which says it has not officially indicated why it has chosen not to do so.

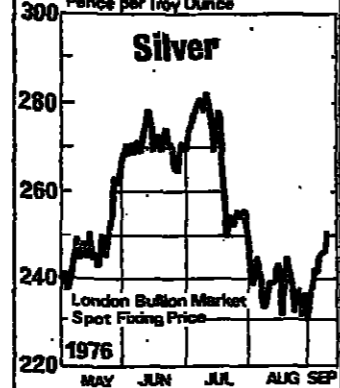
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U.S. stockpile denial
halts copper rise

BY JOHN EDWARDS, COMMODITIES EDITOR

A STRONG advance in copper prices on the London Metal Exchange yesterday was reversed by a report that the U.S. stockpile—if indeed it is decided to rebuild the stockpile—is expected.

Copper cash wirebars ended the day only \$1.25 up at \$86.75 a tonne, losing virtually all gains in early trading when the three months quotation rose to \$91.00 at one stage.



But a Reuters report from Washington made it plain that the General Services Administration, responsible for the stockpile, was not authorised to buy copper at present, and there was no prospect of releasing the necessary budget appropriation to do so in the short term.

The authorities are known to be working on a new stockpile objective for various raw materials, including copper, following the change in policy of the present U.S. Administration in favour of holding three-year requirements from President

Nixon's bid to cut the amounts to one-year needs.

The revised requirements are expected to be announced soon. They will be only approximate goals and any purchases for the

stockpile would be spread over a number of years to avoid market disruption.

Even then, it was pointed out, obtaining the funds for the proposed purchases would involve a long drawn out battle in Congress, and any new Adminis-

tration after the forthcoming Presidential election might have different ideas.

At present a Bill proposing the sales of surplus stockpile holdings of silver, tin, antimony and industrial diamonds has been held up in the Congress pending the stockpile review, linked with a move by the Armed Services sub-committee to delete the authorisation to sell the silver, tin and antimony.

The reversal in copper affected the other metal markets, although the weakness of sterling and the threatened seamen's strike gave a firm undertone.

Silver values eased after opening higher. The spot quotation closed below 240p an ounce, at the end of afternoon trading, after a morning 'fixing' on the London bullion market of 251.1p an ounce, 4.9p up on the previous day.

The decline was attributed to the easing in copper and grains, as well as the downward move in gold.

The U.S. Agriculture Department, in a summary of the situation, to be released on September 15, said although supplies will be slightly greater because of a bigger 1976 cotton crop, combined mill use and exports will be up.

It said disappearance may total 11.0m. to 11.5m. bales compared with 10.6m. in 1975-76. By next August, stocks may be reduced to 3 to 3.5m. bales, against the relatively small 3.7m. in August 1.

The Department noted the 1976 crop is estimated at 10.75m. bales as of August 1, up nearly 2.5m. from a year earlier, but almost 1m. below the 1971-72 average.

It said U.S. cotton exports in 1976-77 are expected to increase to between 4.25m. and 4.75m. bales from last season's 3.3m.

Demand for cotton by U.S. mills continues relatively strong, but the department noted tight supplies and current high prices are expected to result in increased substitution of man-made fibres for cotton later in the season.

U.S. mill use may total 6.5m. to 7m. bales during 1976-77, compared with last season's 7.25m.

Increasing prices for cotton has renewed interest in forward contracting, the USDA said. As of September 1, growers had contracted about half the 1976 crop, up from 10 per cent last year, Reuters.

Forward contracting has been encouraged by the reluctance of producers to sell and a general shortage of available supplies.

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Britain wins
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By Peter Bullen

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From the time of the first case being confirmed on December 11, 1972, there were 333 outbreaks of SVD which led to the slaughter of 294,000 pigs at a cost to the Exchequer of almost £3m.

The last outbreak was in Stockport, Lancashire, in September, 1975. When the farm was restocked with pigs in March 1976 the disease appeared again due to a carry-over of the virus from the previous outbreak. Otherwise there have been no outbreaks of SVD for more than a year.

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EEC DROUGHT
Farm ministers hold
emergency meeting

BY ROBIN REEVES

THE IMPACT of this summer's drought on European agriculture and the possible introduction of further measures to alleviate the damage to EEC farm production will be the subject of a special one-day meeting of EEC agriculture ministers here tomorrow.

Mr. Pierre Lardinois, the Brussels Commissioner for Agriculture, will present ministers with a comprehensive assessment of the drought damage to EEC farm production.

According to informed sources this will show that while some regions of the Community have been hit seriously, the impact on production overall is not as bad as was feared.

The effect on cereal crops, for example, will mean higher imports of maize over the coming season. The overall EEC harvest is now thought to amount to 10.5m. tonnes, or nearly 10 per cent less than last year's poor crop. But part of the increased import will be to enable the EEC to maintain its traditional export of wheat and barley.

As in, although this year's EEC sugar beet crop will not be as large as was at one stage expected, the Commission's figures are expected to show that the Community is still likely to have up to 1m. tonnes of sugar available for export over the coming season.

Fears of a collapse of the EEC beef market caused by premature slaughtering have now largely abated.

On milk, the assessment is expected to forecast a drop in

production of between 1 and 2 per cent in the year ending next March compared with the previous 12 months.

But a measure of the structural overproduction of milk in the EEC is the fact that the comparison on a calendar year basis, is still expected to show output of milk, butter and skim powder in 1976 above the level in 1975.

Surplus stocks of butter and skim powder in intervention stores continued to mount during August, totalling at the last estimate over 425,000 tonnes of butter and 1,355m. tonnes of skim powder.

Even so, the drought may have dealt a lethal blow to the Commission's plans for adopting

measures for curbing excess EEC dairy production—notably by a cut in dairy production this autumn.

With most EEC governments either granting special national aids to drought-hit farmers or thinking of doing so, the time is hardly right for the introduction of measures to cut dairy farmers' incomes.

Further Brussels help to offset the effect of the drought seems likely to be limited to an extension of the EEC tariff suspension on selected fresh and chilled vegetables including potatoes, introduced at the end of last month to December 31.

The Italians will be pressed to lift their objection to the inclusion of onions and beans in the list.

With a 20 per cent rise in the area of wheat sown this year, the effect on the barley sowings, these yields would produce 11.65m. tonnes of grain or 200,000 tonnes more than last year's admittedly poor harvest in England and Wales.

The big question is how much Scotland will contribute. Last year it produced 2.1m. tonnes, its second highest harvest on record.

The Ministry's potato yield estimate, based on a gloomy reading, however, Maltese potatoes should yield 19.1 tonnes a hectare, 10 tonnes below the three-year average and even lower than last year's yield of 22.1 tonnes.

THE DROUGHT effect on the U.K. grain harvest may not be as severe as many observers have forecast if the latest Ministry of Agriculture yield estimates are accurate, writes Peter Bullen in London.

The Ministry assessment was made at the end of August when the grain harvest virtually completed after the earliest and easiest harvest in some farmers' memories.

It put wheat yields at 4.07 tonnes per hectare compared with the final estimate of 4.2 tonnes last year and the three-year average of 4.55, barley yields at 3.51 (compared with 3.4 and 3.75 tonnes) and oat yields 3.55 (3.45 and 3.77 tonnes).

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STOCK EXCHANGE REPORT

Marked setback on news of total seamen's strike

Index 7.2 off at low for year of 350.4—Gilts fall

Account Dealing Dates

First Declared Last Account
Dealings Dealings Day
Aug. 23 Sep. 2 Sep. 14
Sep. 6 Sep. 16 Sep. 28
Sep. 20 Sep. 30 Oct. 1 Oct. 12

* New time deals may take place from 9.30 a.m. to 10.30 a.m. on the day of the strike.

News of the seamen's decision to call an all-out strike came from midnight last Saturday came on a market already unsettled by persistent selling of sterling and caused a sharp setback in stock markets yesterday. Losses in the British Funds ranged to 1 and the Government Securities Index, at 61.38, fell 0.44, its biggest one-day loss for just over six weeks.

A modest initial improvement in leading industrial shares followed an early return to work at British Leyland's Longbridge plant, soon gave way to marked dullness following the seamen's strike decision. Final quotations were above the worst, but still ranged to 10p. Down 5.2 at its lowest of the day at 3 p.m., the FT 30-share index closed 7.2 down on balance at a new low for the year of 350.4. Selling was not particularly heavy, but some reasonable-sized lines of stock came on offer in places.

Shippings, one of the hardest hit sectors had a fall of 3.9 per cent. to 363.79 in the FT-ACTUARIES Shipping Index as compared with a loss of 1.2 per cent. in the FT-All-Share index to 144.68. Falls led rises by nearly 3.2 in FT-quoted Industrials. There was a further modest increase in activity as measured by official marketings of 4.177 compared with 3,555 on Tuesday.

Falls to 3 in Gilts

Initial dullness in sterling on foreign exchange markets, followed later in the day by the unexpected announcement of an all-out strike by the National Union of Seamen, set the seal for a poor day in gilt-edged. Short-

dated issues fell quite sharply, particularly after the strike announcement, and despite a few buyers showing interest on the way down, final losses extended to 7 and sometimes more. It was much the same story in the medium and long, but falls which ranged to a point at one stage were pared to 4 by the close. Although business was still relatively small, there was a noticeable increase in volume after the recent protracted quiet spell.

Helped by some arbitrage business and fresh institutional support for investment currency, the premium moved ahead 31 points more to close at the day's best of 113 per cent. Yesterday's 25 conversion factor was 0.6898 (0.6885).

Although encountering only a small business, the FT 30-share index in Recent Equities with an advance of 15 at 130p, helped by the fresh rise in the investment premium.

G.R.E. disappoint

Interest in Insurance yesterday centred round the three major Composites reporting interim statements. Guardian Royal Exchange disappointed with first-half profits only 81 per cent. higher and the shares shed 8 to 177p. Sun Alliance reported interim figures in line with market expectations and the shares eased 3 to 378p after 375p, while Phoenix declined 2 to 182p, despite first-half figures which were above market estimates. Elsewhere, losses of 4 and 6 respectively were seen in Eagle Star, 107p, and "Royal".

The big four Banks succumbed to the dull trend. Lloyds lost 7 to 200p, Western Bank 3 to 212p, after 210p. Bank of Scotland, at 240p, lost 8 of the previous day's gain of 9. Benefiting from higher advice from the

Far East, Hongkong and Shanghai edged forward 5 to 325p. Breweries closed at the day's lowest. Allied shed 11 to 65p and Bass 302pington receded 3 to 92p. Elsewhere, Distillers cheapened 2 to 121p.

Among quiet Buildings, G. W. Sparrow, 130p, and JCEC, 35p, put on 5 apiece while Brown Jackson edged up 3 to 44p. Timbers were noteworthy for a decline of 2 to 81p in International and a reaction of 4 to 128p in Macmillan and Southern.

ICI slipped to a year's "low" of 318p before closing 5 easier on balance at 319p. Elsewhere in

results, while James Beattie "A" at 91p, recouped a penny of the previous day's loss of 3 which followed the reduced first-half profits. In Shoes, Newbold and Burton responded to the interim figures with a rise of 2 to 28p. Booth International moved up 2 to 40p.

Firmer at first, Electrical leaders subsequently reacted although final net losses were usually limited to 3. Thorn Ballist closed lower, however, about 7 for the Ordinary, 206p, and the "A" 205p. BICC were finally 3 down at 107p, after 107p. as were EMI at 204p, after 209p. Rayville, Parsons, with interim figures due next Tuesday, closed unaltered at 104p, after 107p. Elsewhere, the half-year profits upsurge lifted ESR initially to 96p before a close 5p, a loss of 3 pence on the day.

Some reasonable-sized selling orders of the Engineering majors followed the seamen's strike call. GKN closed 8 lower at 286p and Hawker lost a similar amount at 286p, after 304p. Tubes shed 4 to 316p as did John Brown to 30p, while Vickers, which 20p, ended at 133p. Elsewhere, a mixed trend was evident among second-liners. Ductile Steels, 97p, and WGL, 97p, both gave up 3, while despite

interim Press comments, Blackwood Hydro eased a similar amount to 100p. Rotok, on the other hand, rose 3 to 150p, after 154p, on the higher first-half profits. Proposed 100 per cent. scrip issue. A small demand left Rafite 4 up at 82p. Fresh speculative support on persisting bid hopes helped Heyburn touch 324p before closing only 2 harder on balance at 319p.

Foods closed with modest losses following an increased business. Covenham fell to a 1976 low of 80p, while Marks and Spencer, 93p, ended on 30p, and J. D. Dewhurst managed to close a penny better at 39p following the interim

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a firm market of late on the substantially increased earnings and scrip issue proposal, reacted 5 to 205p on light profit-taking. Danish Bacon "A" receded 2 to 121p on the first-half profits setback, while Fitch Lovell finished a penny off at the outset, retreated in another light turnover. British Petroleum ended 5 down at 583p, after 591p. Barmah 2 easier at 36p, and Shell

Transport 8 cheaper at 394p, after 402p, although Royal Dutch, benefiting from the higher investment premium, contrasted with a fresh gain of 1 at 539p. Elsewhere, Ultramar shed 2 to 112p, while Berry Wiggins, after recovering from the higher investment premium, fractionally eased on balance. Oil Exploration, on the other hand, managed a net gain of a penny at 97p, after reaching a high for the year of 99p. Favourable investment comment failed to generate interest in Woodside-Barmah although, aided by the former investment premium, the old closed a penny up at 144p and the new partly-paid 3 better, at 50p. Ranger Oil added 1 at 113p.

Property leaders registered modest losses after another thin trade. Land Securities were 3 easier at 149p, after 149p. M&P 2 off at 65p, and English Property 11 softer at 45p. Elsewhere, and Newall to rise further to 145p at the outset, before reacting to 133p and ending a net 3 easier at 141p. Elsewhere, the seamen's strike decision took its toll of European Ferries, 31 down at 10p for the year of 53p; the interim results are due today.

North Securities, after falling 1 to 13p, showed no further change on the first-half results announced "after-hours". PMA Holdings reacted to 30p on the "rights" offer proposal and results, but managed a rally of 3 to 120p and Steelend ended a penny up at 155p, after 150p, both after half-year results. Staffordshire Pottery closed unaltered at 157p; the price in recent issues was incorrect.

British Leyland eased 3 to 27p despite the likelihood of an early return to normal working at the company's Longbridge plant. Armstrong Equipment finished 2 off at 75p in front of today's preliminary figures. Brown Brothers, at 12p, edged up the previous day's fractional improvement on the interim figures. Garages closed with a fairly lengthy list of losses. Duntel Forshaw shed 11 to 28p in front of today's interim report, while similar declines were seen in Henlys, 60p, and Le Service, 34p. Dorada, at 42p, made no apparent response to the interim

results, while James Beattie "A" at 91p, recouped a penny of the previous day's loss of 3 which followed the reduced first-half profits. In Shoes, Newbold and Burton responded to the interim figures with a rise of 2 to 28p. Booth International moved up 2 to 40p.

Firmer at first, Electrical leaders subsequently reacted although final net losses were usually limited to 3. Thorn Ballist closed lower, however, about 7 for the Ordinary, 206p, and the "A" 205p. BICC were finally 3 down at 107p, after 107p. as were EMI at 204p, after 209p. Rayville, Parsons, with interim figures due next Tuesday, closed unaltered at 104p, after 107p. Elsewhere, the half-year profits upsurge lifted ESR initially to 96p before a close 5p, a loss of 3 pence on the day.

Some reasonable-sized selling orders of the Engineering majors followed the seamen's strike call. GKN closed 8 lower at 286p and Hawker lost a similar amount at 286p, after 304p. Tubes shed 4 to 316p as did John Brown to 30p, while Vickers, which 20p, ended at 133p. Elsewhere, a mixed trend was evident among second-liners. Ductile Steels, 97p, and WGL, 97p, both gave up 3, while despite

interim Press comments, Blackwood Hydro eased a similar amount to 100p. Rotok, on the other hand, rose 3 to 150p, after 154p, on the higher first-half profits. Proposed 100 per cent. scrip issue. A small demand left Rafite 4 up at 82p. Fresh speculative support on persisting bid hopes helped Heyburn touch 324p before closing only 2 harder on balance at 319p.

Foods closed with modest losses following an increased business. Covenham fell to a 1976 low of 80p, while Marks and Spencer, 93p, ended on 30p, and J. D. Dewhurst managed to close a penny better at 39p following the interim

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Organisation, at 288p, giving up 2 of the previous day's rise of 10. Oil leaders remained susceptible to general market conditions and prices, after improving afresh at the outset, retreated in another light turnover. British Petroleum ended 5 down at 583p, after 591p. Barmah 2 easier at 36p, and Shell

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FINANCIAL TIMES STOCK INDICES

	Sept. 8	Sept. 7	Sept. 6	Sept. 5	Sept. 4	Sept. 3
Government Secs.	61.38	61.02	61.02	61.02	61.02	61.02
Fixed Interest	61.07	61.16	61.16	61.16	61.16	61.16
Industrial Ordinary	350.4	357.6	362.0	363.6	359.8	351.1
Gold Mines	104.9	107.7	106.3	107.7	108.5	107.7
Ord. Div. Yield	5.36	5.44	5.38	5.28	5.30	5.38
Ord. Div. Yield (excl. Div.)	18.81	18.46	18.46	18.46	18.50	18.47
FT 30-Share Index	350.4	357.6	362.0	363.6	359.8	351.1
FT 30-Share Index (excl. Div.)	4.117	4.117	4.117	4.117	4.117	4.117
Equity turnover (m. £)	35.17	28.87	39.19	37.66	37.66	37.66
Equity turnover (m. £) (excl. Div.)	8.949	8.949	8.949	8.949	8.949	8.949
10 a.m. 355.4	11 a.m. 353.8	12 p.m. 354.4	1 p.m. 354.4	2 p.m. 354.4	3 p.m. 354.4	4

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47 Great Russell Street London WC1B 3PA 01-637 4577

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

Shorts (Lives up to Five Years)

High	Low	Stock	Price	Div.	Yield	Red.
100.00	99.50	Treasury 10% 1977-82	100.00	10.00	11.14	
99.50	99.00	Treasury 10% 1977-82	99.50	10.00	11.14	
99.00	98.50	Treasury 10% 1977-82	99.00	10.00	11.14	
98.50	98.00	Treasury 10% 1977-82	98.50	10.00	11.14	
98.00	97.50	Treasury 10% 1977-82	98.00	10.00	11.14	
97.50	97.00	Treasury 10% 1977-82	97.50	10.00	11.14	
97.00	96.50	Treasury 10% 1977-82	97.00	10.00	11.14	
96.50	96.00	Treasury 10% 1977-82	96.50	10.00	11.14	
96.00	95.50	Treasury 10% 1977-82	96.00	10.00	11.14	
95.50	95.00	Treasury 10% 1977-82	95.50	10.00	11.14	

CANADIANS

High	Low	Stock	Price	Div.	Yield	Red.
133.00	132.00	Bank of Montreal	133.00	1.00	11.14	
132.00	131.00	Bank of Montreal	132.00	1.00	11.14	
131.00	130.00	Bank of Montreal	131.00	1.00	11.14	
130.00	129.00	Bank of Montreal	130.00	1.00	11.14	
129.00	128.00	Bank of Montreal	129.00	1.00	11.14	
128.00	127.00	Bank of Montreal	128.00	1.00	11.14	
127.00	126.00	Bank of Montreal	127.00	1.00	11.14	
126.00	125.00	Bank of Montreal	126.00	1.00	11.14	
125.00	124.00	Bank of Montreal	125.00	1.00	11.14	
124.00	123.00	Bank of Montreal	124.00	1.00	11.14	

BUILDING INDUSTRY—Continued

High	Low	Stock	Price	Div.	Yield	Red.
12.00	11.50	Irish Cement	12.00	0.50	11.14	
11.50	11.00	Irish Cement	11.50	0.50	11.14	
11.00	10.50	Irish Cement	11.00	0.50	11.14	
10.50	10.00	Irish Cement	10.50	0.50	11.14	
10.00	9.50	Irish Cement	10.00	0.50	11.14	
9.50	9.00	Irish Cement	9.50	0.50	11.14	
9.00	8.50	Irish Cement	9.00	0.50	11.14	
8.50	8.00	Irish Cement	8.50	0.50	11.14	
8.00	7.50	Irish Cement	8.00	0.50	11.14	
7.50	7.00	Irish Cement	7.50	0.50	11.14	

DRAPERY AND STORES—Continued

High	Low	Stock	Price	Div.	Yield	Red.
12.00	11.50	Debenhams	12.00	0.50	11.14	
11.50	11.00	Debenhams	11.50	0.50	11.14	
11.00	10.50	Debenhams	11.00	0.50	11.14	
10.50	10.00	Debenhams	10.50	0.50	11.14	
10.00	9.50	Debenhams	10.00	0.50	11.14	
9.50	9.00	Debenhams	9.50	0.50	11.14	
9.00	8.50	Debenhams	9.00	0.50	11.14	
8.50	8.00	Debenhams	8.50	0.50	11.14	
8.00	7.50	Debenhams	8.00	0.50	11.14	
7.50	7.00	Debenhams	7.50	0.50	11.14	

ENGINEERING—Continued

High	Low	Stock	Price	Div.	Yield	Red.
12.00	11.50	Rolls Royce	12.00	0.50	11.14	
11.50	11.00	Rolls Royce	11.50	0.50	11.14	
11.00	10.50	Rolls Royce	11.00	0.50	11.14	
10.50	10.00	Rolls Royce	10.50	0.50	11.14	
10.00	9.50	Rolls Royce	10.00	0.50	11.14	
9.50	9.00	Rolls Royce	9.50	0.50	11.14	
9.00	8.50	Rolls Royce	9.00	0.50	11.14	
8.50	8.00	Rolls Royce	8.50	0.50	11.14	
8.00	7.50	Rolls Royce	8.00	0.50	11.14	
7.50	7.00	Rolls Royce	7.50	0.50	11.14	

HOTELS—Continued

High	Low	Stock	Price	Div.	Yield	Red.
12.00	11.50	Grand Hotel	12.00	0.50	11.14	
11.50	11.00	Grand Hotel	11.50	0.50	11.14	
11.00	10.50	Grand Hotel	11.00	0.50	11.14	
10.50	10.00	Grand Hotel	10.50	0.50	11.14	
10.00	9.50	Grand Hotel	10.00	0.50	11.14	
9.50	9.00	Grand Hotel	9.50	0.50	11.14	
9.00	8.50	Grand Hotel	9.00	0.50	11.14	
8.50	8.00	Grand Hotel	8.50	0.50	11.14	
8.00	7.50	Grand Hotel	8.00	0.50	11.14	
7.50	7.00	Grand Hotel	7.50	0.50	11.14	

INDUSTRIALS

(Miscellaneous)

High	Low	Stock	Price	Div.	Yield	Red.
12.00	11.50	British Steel	12.00	0.50	11.14	
11.50	11.00	British Steel	11.50	0.50	11.14	
11.00	10.50	British Steel	11.00	0.50	11.14	
10.50	10.00	British Steel	10.50	0.50	11.14	
10.00	9.50	British Steel	10.00	0.50	11.14	
9.50	9.00	British Steel	9.50	0.50	11.14	
9.00	8.50	British Steel	9.00	0.50	11.14	
8.50	8.00	British Steel	8.50	0.50	11.14	
8.00	7.50	British Steel	8.00	0.50	11.14	
7.50	7.00	British Steel	7.50	0.50	11.14	

BANKS AND HIRE PURCHASE

High	Low	Stock	Price	Div.	Yield	Red.
12.00	11.50	Bank of England	12.00	0.50	11.14	
11.50	11.00	Bank of England	11.50	0.50	11.14	
11.00	10.50	Bank of England	11.00	0.50	11.14	
10.50	10.00	Bank of England	10.50	0.50	11.14	
10.00	9.50	Bank of England	10.00	0.50	11.14	
9.50	9.00	Bank of England	9.50	0.50	11.14	
9.00	8.50	Bank of England	9.00	0.50	11.14	
8.50	8.00	Bank of England	8.50	0.50	11.14	
8.00	7.50	Bank of England	8.00	0.50	11.14	
7.50	7.00	Bank of England	7.50	0.50	11.14	

ELECTRICAL AND RADIO

High	Low	Stock	Price	Div.	Yield	Red.
12.00	11.50	Radio Shack	12.00	0.50	11.14	
11.50	11.00	Radio Shack	11.50	0.50	11.14	
11.00	10.50	Radio Shack	11.00	0.50	11.14	
10.50	10.00	Radio Shack	10.50	0.50	11.14	
10.00	9.50	Radio Shack	10.00	0.50	11.14	
9.50	9.00	Radio Shack	9.50	0.50	11.14	
9.00	8.50	Radio Shack	9.00	0.50	11.14	
8.50	8.00	Radio Shack	8.50	0.50	11.14	
8.00	7.50	Radio Shack	8.00	0.50	11.14	
7.50	7.00	Radio Shack	7.50	0.50	11.14	

CHEMICALS, PLASTICS

High	Low	Stock	Price	Div.	Yield	Red.
12.00	11.50	ICI	12.00	0.50	11.14	
11.50	11.00	ICI	11.50	0.50	11.14	
11.00	10.50	ICI	11.00	0.50	11.14	
10.50	10.00	ICI	10.50	0.50	11.14	
10.00	9.50	ICI	10.00	0.50	11.14	
9.50	9.00	ICI	9.50	0.50	11.14	
9.00	8.50	ICI	9.00	0.50	11.14	
8.50	8.00	ICI	8.50	0.50	11.14	
8.00	7.50	ICI	8.00	0.50	11.14	
7.50	7.00	ICI	7.50	0.50	11.14	

ENGINEERING, MACHINE TOOLS

High	Low	Stock	Price	Div.	Yield	Red.
12.00	11.50	Machine Tools	12.00	0.50	11.14	
11.50	11.00	Machine Tools	11.50	0.50	11.14	
11.00	10.50	Machine Tools	11.00	0.50	11.14	
10.50	10.00	Machine Tools	10.50	0.50	11.14	
10.00	9.50	Machine Tools	10.00	0.50	11.14	
9.50	9.00	Machine Tools	9.50	0.50	11.14	
9.00	8.50	Machine Tools	9.00	0.50	11.14	
8.50	8.00	Machine Tools	8.50	0.50	11.14	
8.00	7.50	Machine Tools	8.00	0.50	11.14	
7.50	7.00	Machine Tools	7.50	0.50	11.14	

FOOD, GROCERIES, ETC.

High	Low	Stock	Price	Div.	Yield	Red.
12.00	11.50	Food Groceries	12.00	0.50	11.14	
11.50	11.00	Food Groceries	11.50	0.50	11.14	
11.00	10.50	Food Groceries	11.00	0.50	11.14	
10.50	10.00	Food Groceries	10.50	0.50	11.14	
10.00	9.50	Food Groceries	10.00	0.50	11.14	
9.50	9.00	Food Groceries	9.50	0.50	11.14	
9.00	8.50	Food Groceries	9.00	0.50	11.14	
8.50	8.00	Food Groceries	8.50	0.50	11.14	
8.00	7.50	Food Groceries	8.00	0.50	11.14	
7.50	7.00	Food Groceries	7.50	0.50	11.14	

BUILDING INDUSTRY, TIMBER

High	Low	Stock	Price	Div.	Yield	Red.
12.00	11.50	Timber	12.00	0.50	11.14	
11.50	11.00	Timber	11.50	0.50	11.14	
11.00	10.50	Timber	11.00	0.50	11.14	
10.50	10.00	Timber	10.50	0.50	11.14	
10.00	9.50	Timber	10.00	0.50	11.14	
9.50	9.00	Timber	9.50	0.50	11.14	
9.00	8.50	Timber	9.00	0.50	11.14	
8.50	8.00	Timber	8.50	0.50	11.14	
8.00	7.50	Timber	8.00	0.50	11.14	
7.50	7.00	Timber	7.50	0.50	11.14	

CINEMAS, THEATRES AND TV

High	Low	Stock	Price	Div.	Yield	Red.
12.00	11.50	Cinema	12.00	0.50	11.14	
11.50	11.00	Cinema	11.50	0.50	11.14	
11.00	10.50	Cinema	11.00	0.50	11.14	
10.50	10.00	Cinema	10.50	0.50	11.14	
10.00	9.50	Cinema	10.00	0.50	11.14	
9.50	9.00	Cinema	9.50	0.50	11.14	
9.00	8.50	Cinema	9.00	0.50	11.14	
8.50	8.00	Cinema	8.50	0.50	11.14	
8.00	7.50	Cinema	8.00	0.50	11.14	
7.50	7.00	Cinema	7.50	0.50	11.14	

DRAPERY AND STORES

High	Low	Stock	Price	Div.	Yield	Red.
12.00	11.50	Debenhams	12.00	0.50	11.14	
11.50	11.00	Debenhams	11.50	0.50	11.14	
11.00	10.50	Debenhams	11.00	0.50	11.14	
10.50	10.00	Debenhams	10.50	0.50	11.14	
10.00	9.50	Debenhams	10.00	0.50	11.14	
9.50	9.00	Debenhams	9.50	0.50	11.14	
9.00	8.50	Debenhams	9.00	0.50	11.14	
8.50	8.00	Debenhams	8.50	0.50	11.14	
8.00	7.50	Debenhams	8.00	0.50	11.14	
7.50	7.00	Debenhams	7.50	0.50	11.14	

HOTELS AND CATERERS

High	Low	Stock	Price	Div.
------	-----	-------	-------	------

2
8
7
0
5
9
9
2
2
17
56

[illegible]

228	138	1901-12	61 ²	+1 ²	-
9	5	Nth. Kalguri	105	-1	99%
112	65	Oakridge SAJ	28	-2	-

and yield based on prospects of other companies. U
1976. Q Gross. Y Figures rounded. U
Corporations. The payable. Z Dividend total
Abbreviations: ex dividend; ex scrip issue
in ex all; ex capital distribution.

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Wide TUC backing for social contract

BY ROY ROGERS IN BRIGHTON

DELEGATES AT the Trade Union Congress, most of whom had not been told of the seamen's strike decision, yesterday gave the expected overwhelming backing to the social contract and muted condemnation of the Government's expenditure cuts and failure to reduce unemployment.

But a day that promised some lively debate on emotive issues such as pay, jobs and spending cuts turned out to be a very lacklustre affair—largely because the outcome was pre-determined by skilful compositing of motions and behind-the-scenes pressure.

After a three-hour economic debate which embraced the social contract, unemployment, import controls, public expenditure and shorter hours, general council recommendations were carried with barely a ripple of opposition.

The furniture workers and the TV technicians made a feeble attempt to commit the TUC to oppose wage restraint in any form, while the bank employees opposed the main unemployment motion because it included a line calling for the nationalisation of banks.

But Mr. Murray's main theme was that the TUC and the Labour Government were obliged to continue their close co-operation to ensure that the restoration of collective bargaining next year. These

include provision for "satisfactory" pay differentials, genuine productivity agreements and phased consolidation of pay supplements into basic rates. It will also campaign for a 35-hour week.

On jobs, the TUC leaders will continue to press the Government to introduce selective import controls and move towards an extension of the economy when they meet the Prime Minister again soon. Delegates also rejected the concept of expenditure cuts and agreed to give full support to unions fighting them.

Criticised

Mr. Len Murray, the TUC general secretary, opened the economic debate by warning the Government not to take the trade union movement for granted and underlining reducing unemployment as an integral part of the social contract. He also criticised stoppages "that need not take place and profit nobody."

But Mr. Murray's main theme was that the TUC and the Labour Government were obliged to continue their close co-operation to ensure that the restoration of collective bargaining next year. These

Four killed as Soweto hostel is set alight

BY QUENTIN PEEL

RIOTING and violent disturbances continued in South Africa's segregated townships outside Johannesburg and Cape Town yesterday.

Four people were reported killed in the black township of Soweto after residents set fire to a massive migrant workers' hostel with petrol bombs.

In Cape Town there were renewed clashes between police and coloured (mixed race) demonstrators, as the racial tension showed no signs of abating.

The burning of the hostel, which destroyed eight buildings in the complex housing more than 10,000 workers, was a clear retaliation by residents of Johannesburg's biggest township against workers who went on the rampage there last week.

Dr. Kissing reported back to President Ford in Washington yesterday on the progress of his southern African initiative.

restrain workers from attending their jobs in Johannesburg.

The huge single-story hostel at Mzimbahe started burning in the early morning after Soweto residents threw petrol bombs into the premises.

Riot police were still on alert yesterday as coloured people in the Cape Town area continued their protests. Police opened fire with shotguns after using teargas and clubs to disperse groups in the Ravensmead and Maitland townships, where vehicles were stoned and destroyed.

Although there was no rioting in the heart of Cape Town itself it was confirmed that in Tuesday's disturbances in the centre of Cape Town at least four people were killed and many were injured.

Crowds of coloureds in Ravensmead yesterday scattered stones across roads in an attempt to form a road block but nobody was reported killed.

Meanwhile, the predicted strike or boycott of black workers of Johannesburg petered out yesterday. It had barely got off the ground with shops, offices and factories reporting a high-out of workers.

Our Salisbury correspondent writes: Mr. Ian Smith will meet Mr. Vorster in Pretoria early next week for discussions on the southern African situation following the Zurich meeting between Mr. Vorster and Dr. Kissing.

Mr. Smith is expected to return to Salisbury in time for the Rhodesian Front annual congress, beginning in Umtali on September 15.

Despite stirrings of unease among the white community, the Rhodesian Government is showing no signs of being prepared to make the radical concessions which Mr. Vorster-Kissing negotiations to produce a settlement are to succeed.

Smith's visit

While Mr. William Schaaf, U.S. Assistant Secretary for African Affairs, met President Nyerere of Tanzania, Dr. Kissing and Mr. Vorster in Salisbury, it was announced in Salisbury that Prime Minister Ian Smith would fly to Pretoria for a meeting with Mr. John Vorster, the South African Premier, early next week.

A major speech by Mr. Vorster was expected at the Orange Free State National Party congress in Bloemfontein.

Stewart Dalby reports from Johannesburg: The deaths in Soweto are seen as the outcome of the simmering dispute between Soweto residents and migrant workers in the township, which first broke out last week when Zulu migrants formed vigilante committees to retaliate against young blacks trying to

control the township.

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Longbridge reopens after toolroom men end strike

BY PETER CARTWRIGHT, MIDLANDS CORRESPONDENT

AFTER A stormy meeting yesterday, the toolroom and maintenance men, who had been on strike since last week, agreed to return to work at the big Longbridge plant at Birmingham and lay off 23,850 other Leyland workers, agreed to resume normal working immediately.

The management had insisted on an unconditional return by all groups before it would re-open, so the men go back on the same terms as when they walked out two days ago.

Production losses are put at nearly 8,000 cars, selling at about £15m.

As soon as the vote result was known, the management summoned all other maintenance and allied workers by telegram and telephone to prepare the plant overnight for a full recall to-day of the 18,000 laid off there.

For nearly 5,700 others in the Oxford and Swindon areas sent home because of a lack of engines from Longbridge there will be a phased return dependent on the flow of engines. This will probably start tomorrow.

Throughout day-long meetings

at Longbridge of various sections of workers the final result was in the balance. Up to the last strikes led Leyland Cars to plant the big Longbridge plant at Birmingham and lay off 23,850 other Leyland workers, agreed to resume normal working immediately.

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Throughout day-long meetings

Hopes rise for oil platform orders

BY RAY DAFTER, ENERGY CORRESPONDENT

A NEW development programme for North Sea oil is likely to begin within the next six months and prospects for equipment suppliers appear to be brighter than recent Government forecasts have suggested.

It appears that as many as eight fields may be declared commercially next year, leading to a resurgence of business for platform builders and others involved in the oil production industry.

It is now well over two years since an oil group took a decision to develop a North Sea field. This has hit the supplying industry, causing one platform yard to close (Laird Offshore at Hartlepool) and has threatened the future of another (Redpath Dorman Long at Middlesbrough).

Not all the new fields will be developed with conventional steel concrete platforms. Some will be operated with a semi-submersible system, possibly a converted rig, for example.

British Petroleum, which has also indicated that it will make a development decision next year, is evaluating a tethered or tension-legged buoyant platform—and conventional structures—

for its Magnus Field.

Dr. Dickson Mabon, Minister of State for Energy, recently told trade unions that he could see no definite orders being placed this year, and that there was a reasonable possibility of orders for just three or four structures being placed next year or by early 1978.

The UK Offshore Operators' Association, representing the oil groups in the North Sea, said it would not disagree with the forecast.

But two recent, but unpublished, surveys of the industry indicate a brighter prospect, however. Development schemes next year, may also include Continental Oil's Murchison Field, Texaco's Tartan Field, Shell/Esso's Cormorant extension on Tern Field, and one of Total's funds in the vicinity of the Alwyn Field.

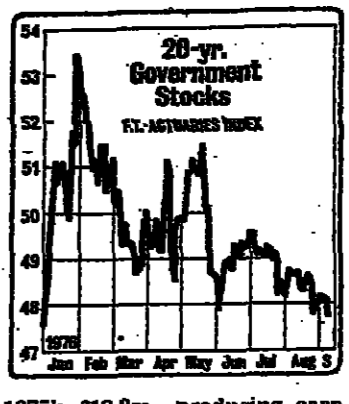
Other prospects include Pan Ocean's big Brae Field and Phillips's Maureen Field, although Phillips may want to evaluate two recent and encouraging finds—Renée and Thelma—before committing itself.

Hope on the horizon Page 18

Composites confirm the trend

Modestly higher at the start, the 30 Share Index slid back over the day to a new 1976 low.

Index fell 7.2 to 350.4



Composites

Yesterday's clutch of interim reports suggest that the six major composite insurance companies could rather more than double their aggregate profits in 1976. However, two of yesterday's companies, Guardian Royal Exchange and Sun Alliance, will be much more sedate than that. They are operating from a higher base than the competition—being the only two which are already in the black on underwriting—they do not have much exposure to the U.S. turnaround, and they have one or two special problems of their own.

Thus, Sun Alliance will suffer more than most from the increase in subsidence claims following the drought, since it has nearly a fifth of the U.K. household market. At a very tentative guess, total costs to the industry could double from last year's £12m, odd, so this could have as big an impact on Sun in the second half as storm damage did in the first (£44m.).

Profits so far are up from £15.3m. to £23.5m. pre-tax; for the year, they could rise by 30 per cent. to roughly £48m. (earnings of just over 50p per share).

GRE, with interim profits a tenth higher at £24m. pre-tax, is still being held back by its important German interests which account for almost a fifth of premiums, and its investment income growth is well below the sector average. However, the trends do seem to be rising gently and a pre-tax rise of around a fifth to nearly £30m. seems possible for the year.

With a slightly lower tax charge, that would leave earnings of 24p per share.

1975's £18.2m., producing earnings of roughly 25p per share.

But much the most striking figures yesterday came from Phoenix, which has cut its underwriting losses from £2.2m. in the first quarter to £223,000 in the second—even though U.S. losses were rather higher at £1.6m. Its investment income has also accelerated. Integration of the Century acquisition is now showing through in expense ratios, the U.S. position is stabilising, and overall profits could rise by about a half from capital markets will still have

Nuclear power

Yesterday's £100m. loan to British Nuclear Fuels may be large in U.K. terms but in terms of the financial requirements of the industry worldwide, it is peanuts.

Investment in nuclear power took off after the 1973-74 oil crisis. Initially, the industry was talking in terms of a \$300bn. capital investment over the 1971-85 period, of which half would be spent by the U.S.A. However, over the last 18 months the momentum has slackened somewhat. Latest estimates of world nuclear power installations by 1980, have dropped by a third since 1973 and the projections for 1985 are down by a fifth.

Part of the problem is inflation: over the last three years nuclear station costs have risen by 50 per cent. in Europe and doubled in the U.S. Forecasts of world electricity consumption have recently been adjusted downwards while environmental issues have created additional worries.

But financing problems appear to be the key factor behind the large scale cut-backs in Canada, Italy, Japan and France.

The greatest demand for capital comes from the U.S., which is the main market with 71 reactors worth around \$75bn. under construction, and 72 on order (\$80bn.). Elsewhere, France, Spain, West Germany, Iran and Italy are the next in order of importance and a growing number of poorer countries such as Indonesia, Poland and Turkey have recently committed themselves to nuclear power. Despite the cutbacks the international hopes to be up to 1,000 by the year end.

to lend massive amounts the next decade.

The state guaranteed money relatively simply by a Government guarantee. But the electricity utilities like the U.S. and Japan cannot on government guarantee financial support and for the task of raising a finance could be more of the German utilities, a stance, have traditionally on self-financing for three-quarters of their funds. This is now falling somewhat as an increasing number of "jumbo" projects come financing. Unlike U.K., the Germans have to a strict debt:equity forcing them to exploit financing instruments. \$1.4bn. nuclear capital Gundersmengen may, but two utilities are it complete from 27 bn.

BSR

BSR has made £13m. in six months, against £1.5m. in 1975 as a whole and £1.5m. the top of the previous year. 1973. Starling's weakness made a big difference with four-fifths of record of production going overseas demand is also roaring up with changing sales patterns doubling in the six U.S. industry—exports—(in tapes) were up 48 per cent. of the first-half of 1976, with second quarter rising six per cent. over the first; and sales look to have been strong. Overall this year's earnings could top 20p a share, easing the 1976 p/e to 30 to around 41.

But the sheer pace of a present must inevitably doubt about the staying of North American demand consumer demand in eased slightly in the quarter of 1976 and the factor is the new A schedule; output here confined to 500 units a week; whereas just six months ago company was predicting a level 10 times that by autumn. The problem is component supplies, and hopes to be up to 1,000 by the year end.

City raises £100m. backing for nuclear power programme

BY DAVID FISHLOCK, SCIENCE EDITOR

A LOAN of £100m. for investment in three nuclear factories in the north of England has been raised in the City of London by a consortium of 26 banks, led by County Bank and Samuel Montagu.

The cash is required for a programme planned by British Nuclear Fuels, the state-owned company set up five years ago to provide fuel services to the nuclear power industry.

BNFL expects to spend about £1bn. on its principal three factories over the next decade, and has already obtained Government approval for projects totalling £715m.

The £100m. seven-year loan believed to be the biggest private-sector loan ever made to the U.K. nuclear industry, is to be guaranteed by the Government, after new enabling legislation has been introduced early in the next session of Parliament.

Interest on the loan initially will be at 14 per cent. above the cost of money to the interbank market, rising to 15 per cent. over the repayment period.

According to County Bank, its parent National Westminster is providing £15m. Altogether the British banks in the consortium will find about 80 per cent. of the loan, which will be managed by County and Samuel Montagu.

Dr. Donald Avery, deputy managing director of BNFL, said yesterday that the company had embarked on a rapidly rising curve of investment which he expected would average about £70m. a year. Projects already approved were predominantly in support of U.K.'s own existing nuclear power programme, and the extent to which it could be affected by current uncertainties in future electricity requirement was "surprisingly small."

BNFL's payroll had increased by over 1,000 last year, and was expected to expand by another 3,000 over the next five years.

Dr. Avery said the company expected to fund most of the rest of the programme from internal resources, although he believed it might require a further loan of similar magnitude in two or three years.

The biggest single increase in employment would be at the uranium enrichment factory at Capenhurst, near Chester, where the company anticipates an investment of about £300m. in new capacity, based on the gas centrifuge process. Extra staff would be needed for the manufacture and assembly of centrifuges, a process that would continue to be carried out in-house, said Dr. Avery.

The company has already secured a one-third share of a £700m. contract, totalling £700m., mainly overseas, won by Urenco, the Anglo-German-Dutch enrichment company. They are for deliveries during the 1980s.

Another major investment, £245m., is being planned for the Windscale factory in Cumbria, for refurbishing facilities for the reprocessing of spent nuclear fuel from Britain's existing magnox-nuclear stations. BNFL recently applied for planning permission for this work.

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Continued from Page 1 Seamen

than their claim would have gained them.

The seamen's decision followed months of argument about the award of the pay policy. Last July seamen had a 37 per cent. pay award (worth on average £21 in earnings to fully qualified men) after arbitration arranged by the Advisory, Conciliation and Arbitration Service.

In order to ease the burden on the employers, the award was spread over three stages. The TUC and the Department of Employment ruled that the second stage, in January this year, was to be penalised if they have to wait until next January for a further rise.

That would mean £2.50 to £4 a week: the maximum allowed

by current stage of pay policy. But the union insists that the award was meant to run only for 12 months and that they were due for a £8 a week rise in the July anniversary under the last incomes policy.

Mr. William Hunt, chairman of the employers' negotiators, said there was no question of the council breaking the pay policy.

Technically, the policy is only voluntary and the employers could meet the seamen's claim for £8. But that would lead to the "last major increase" and wish to raise charges or if they were making use of Government financial assistance. Mr. Hunt would not comment yesterday on the implications of giving in

Continued from Page 1 Italy

reserves. Italy is expected to take advantage of the Manila meeting to have bilateral contacts to try and finalise the long pending £300m. IMF drawing negotiations under the terms of the Jamaica agreement and possibly add another \$200m. or \$300m. to it.

The first tentative negotiations for the drawing were initiated by Sig. Emilio Colombo, then Treasury Minister, at the Jamaica meeting last January, but took a new urgency after the run on the lire in mid-January followed by the six-week closure of the foreign exchange market.

Bank of Italy officials then flew to Washington to speed up negotiations, but when IMF officials came to Rome they were not satisfied with the official forecast of the likely future budget deficit. The estimates have now been completed and the Government has pledged to keep the deficit below L18,500bn. in fiscal 1977 and is expected to shortly introduce a series of measures to raise public utility tariffs and impose higher indirect taxes on petroleum, meat and other imported products in order to

Weather

U.K. TO-DAY
RAIN in most places with sunny patches.
London, S.E. England, Channel Is.
Rain at first, sunny intervals, isolated showers later. Max. 17°C (63°F).
E. Anglia, Midlands, S. Wales, S.W. England
Sunny, scattered showers. Max. 17°C (63°F).
N.E. England, Borders, Edinburgh, Dundee, Aberdeen areas
Cloudy, outbreaks of rain. Max. 10-11°C (50-52°F).
N. Wales, N.W. England, Lakes, A. of Man, S.W. Scotland
Sunny, scattered showers. Max. 15°C (59°F).
Highlands, Moray, Firth area, N.E. Scotland, Orkney and Shetland
Sunny intervals, showers. Max. 9-10°C (48-50°F).
Rest of Scotland, N. Ireland
Cloudy, some sun. Max. 11-13°C (52-55°F).
Outlook: Changeable.
Lighting-up: London 20.00, Manchester 20.10, Glasgow 20.22, Belfast 20.57.

BUSINESS CENTRES

	Y-day	Y-day	Y-day
	Mon	Tue	Wed
Alexandria	28	29	30
Amsterdam	28	29	30
Athens	28	29	30
Barcelona	28	29	30
Bombay	28	29	30
Buenos Aires	28	29	30
Calcutta	28	29	30
Canton	28	29	30
Cebu	28	29	30
Hankow	28	29	30
Hong Kong	28	29	30
Kobe	28	29	30
London	28	29	30
Lyons	28	29	30
Manila	28	29	30
Medan	28	29	30
Osaka	28	29	30
Paris	28	29	30
Rangoon	28	29	30
Shanghai	28	29	30
Singapore	28	29	30
Sourabaya	28	29	30
Tokyo	28	29	30
Yokohama	28	29	30

HOLIDAY REPORTS

	Y-day	Y-day	Y-day
	Mon	Tue	Wed
Algeria	28	29	30
Argentina	28	29	30
Australia	28	29	30
Belgium	28	29	30
Brazil	28	29	30
Canada	28	29	30
Chile	28	29	30
Colombia	28	29	30
Cuba	28	29	30
Czechoslovakia	28	29	30
Denmark	28	29	30
France	28	29	30
Germany	28	29	30
Greece	28	29	30
India	28	29	30
Indonesia	28	29	30
Italy	28	29	30
Japan	28	29	30
Korea	28	29	30
Malaysia	28	29	30
Mexico	28	29	30
Netherlands	28	29	30
Norway	28	29	30
Poland	28	29	30
Portugal	28	29	30
Romania	28	29	30
Russia	28	29	30
Spain	28	29	30
Sweden	28	29	30
Switzerland	28	29	30
Taiwan	28	29	30
Tanzania	28	29	30
Thailand	28	29	30
Turkey	28	29	30
U.S.A.	28	29	30
U.K.	28	29	30
Yugoslavia	28	29	30

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